

Circular No.: NSDL/POLICY/2022/041

March 25, 2022

Subject: Suspension of demat accounts in case of non-compliance with 6 KYC attributes.

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2021/0036 dated April 07, 2021 regarding mandatory updation of certain attributes of KYC of clients wherein at point no 6 (d) it was mentioned that *"Thereafter, such non-compliant demat accounts will be liable to be made inactive i.e. no debit will be allowed in such demat account (except for settlement of already open positions)"*.

Participants were intimated vide Circular No. NSDL/POLICY/2021/0132 dated December 31, 2021 regarding decision to extend the timeline for existing clients to March 31, 2022.

Further, Participants were also intimated vide Circular No. NSDL/POLICY/2022/038 dated March 17, 2022 to inform clients i.e. 6 KYC non-compliant demat accounts, that if they have any debit transactions to be executed in respect of Pay-ins scheduled after March 31, 2022 viz., account transfer and inter depository transfer, they shall execute such instructions for transferring securities well in advance but before EOD of March 31, 2022 to avoid the risk of non-delivery for sell trades of March 30, 2022 and March 31, 2022.

In view of the above, Participants are requested to note that in case where client fails to update the 6 KYC attributes viz Name, Address, PAN, valid Mobile No., valid Email ID and Income range in their demat accounts by March 31, 2022, such demat accounts need to be suspended (suspended for Debit) by Participants until deficient KYC attributes are updated by Participants in NSDL system based on the client request. Out of the mandatory 6 KYC attributes, name and address are already mandatory field in NSDL system and PAN non-compliant demat accounts are already in suspended status.

Procedure for suspension of demat accounts is as under:

1. Suspension of demat accounts by NSDL

For demat accounts wherein any one or more of KYC attributes is not updated i.e. Mobile No., Email ID and Income Range (Out of these 3 attributes, either any one OR any two OR all three attributes are not updated), NSDL will suspend such demat accounts in eDPM system of Participants and **no** action w.r.t. suspension of demat account is required to be taken by the Participants for such KYC non-compliant demat accounts. The list of such demat accounts is made available to Participants for their reference on NSDL I-assist portal under maker login with file name as '**File-1**_Anyone or more of KYC attributes not updated'.

2. Suspension of demat accounts by Participants

Participants are requested to review the KYC non-compliant demat accounts from the following two lists and accordingly suspend the demat accounts:

- a. Demat accounts wherein details of Mobile No., Email ID and Income range are captured, however Mobile No. or Email ID (or both) captured appears to be invalid in terms of NSDL Circular No. NSDL/POLICY/2021/0036 dated April 07, 2021. **(File 2)**.

- b. Demat accounts for Institutional Clients and other clients (list of such client Type/sub Type mentioned in **Annexure A**) wherein either of KYC attribute is not updated or appears to be invalid i.e. Mobile No. / Office Landline number and/or Email ID as mentioned in NSDL Circular No. NSDL/POLICY/2021/0081 dated July 30, 2021 & NSDL/POLICY/2021/0127 dated December 27, 2021. **(File 3)**.
- c. In order to facilitate Participants for suspending the aforesaid demat accounts (File 2 & 3), NSDL is providing a utility on I-Assist portal to prepare the files for suspension of 6 KYC non-compliant demat accounts.

3. Process to be followed by Participants for preparing and uploading the files

- a. File 2 & 3 with records of clients which require review by the Participants shall be made available by NSDL on I-Assist portal on March 25, 2022 containing Mobile No. / Office Landline number/Email ID details wherever available.
- b. Participants are requested to upload the files after review as mentioned in below table. Files can be prepared through the utility provided by NSDL:

Sr. no.	File Name	Description	Action to be taken by Participant
1	File-2_ All KYC attributes updated- Review by participant required	List of demat accounts mentioned at point no.2 (a).	Participants are required to review the available Mobile No. and Email ID based on the criteria provided in NSDL circular no. NSDL/POLICY/2021/0036 dated April 07, 2021.
2	File-3_Accounts with SEBI permitted Relaxation but not having required details	List of demat accounts mentioned at point no. 2(b).	Participants are required to review the available Mobile No. / Office Landline number and Email ID based on criteria provided in NSDL circular no. NSDL/POLICY/2021/0036 dated April 07, 2021.

- c. Post the above review of records as available in File 2 & 3, Participants may remove the records which are found valid and after that upload the remaining records in the above mentioned utility for generation of text file to be uploaded on eDPM for suspension of demat accounts. Any modification in the format i. e columns of .CSV file will lead to rejection of text files.
- d. Participants are required to suspend the identified KYC non-compliant demat accounts as per the process mentioned above with execution date as April 1, 2022 for suspension. The detailed procedure for preparing file for suspension through utility and uploading of the said file(s) in their eDPM system is provided at enclosed **Annexure-B**.
- e. Participants are advised to start review of File - 2 & 3 and on completion of review, start uploading the files for suspension on eDPM system with future dated instructions (with execution date as April 1, 2022 for suspension). This facility will be available with effect from March 25, 2022. Participants are requested to ensure that future dated instructions for suspension are uploaded after pay-in related activities and other critical activities. Participants

are requested to ensure that EOD process is completed in respective Local DPM systems on the cut off date i.e. April 1, 2022. To avoid last minute precipitance, Participants are advised to start uploading the files for suspension (after review) on eDPM once the facility has been made available.

- f. Participants are also advised to ensure readiness in their back office to process large COD exports / Client Master Export files arising out of this exercise. Two set of large COD export files may be expected:
 - a. due to future dated order for suspension (before April 1, 2022) execution by NSDL/Participants;
 - b. due to actual account suspension (on April 1, 2022).
- g. The details of such orders for suspension will be available in COD and Client master exports in Local DPM. Participants are therefore requested to ensure that COD export/ Client master export files are processed in their respective Back-office systems.

4. Participants are requested to ensure that all 6 KYC attributes should be available in the demat account before removing the suspension of demat account. In case where request is received from clients (listed at File - 2 & 3) for updating deficient KYC attributes (on or before March 31, 2022) and there is future dated instruction for suspension executed by NSDL or Participant as per process mentioned above, Participants are advised to update the KYC details in the concerned demat account after due-diligence and **cancel such future dated instructions for suspension marked in such demat account.**
5. Participants are advised to send intimation to clients after suspension of accounts on April 1, 2022 via letter / email/ SMS or any other mode which the Participant may deem fit.

Participants are requested to take note of the above and ensure compliance. For assistance on aforesaid matter, Participants may contact help desk at 022 - 48867000/24997000 or email at helpdesk@nsdl.co.in.

For and on behalf of

National Securities Depository Limited

Arockiaraj

Manager

Enclosed: Two

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10th of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Charge Structure	April 30th every year	By email at dpfees@nsdl.co.in	1.Circular No. NSDL/POLICY/2006/0064 dated December 26, 2006. 2.Circular No. NSDL/POLICY/2007/0003 dated January 8, 2007

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Authentication

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Annexure-A

(List of Account Type & Sub-Type for Institutional clients and other client type)

List of Institutional client Type:

Account Type Code	Account Type Description
3	FII
8	Mutual Fund
10	Bank
13	Foreign Portfolio Investor Individual
14	Foreign Portfolio Investor Corporate
18	QIB

List of other client type:

Account Type Code	Account Type Description	Account Subtype Code	Account Subtype Description
5	Body Corporate	4	Central Government
5	Body Corporate	5	State Government
5	Body Corporate	36	Overseas Depository - Underlying DR

Annexure B

Utility to generate batch file(s) for freezing of demat accounts non-compliant with 6 KYC attributes (File 2 and 3)

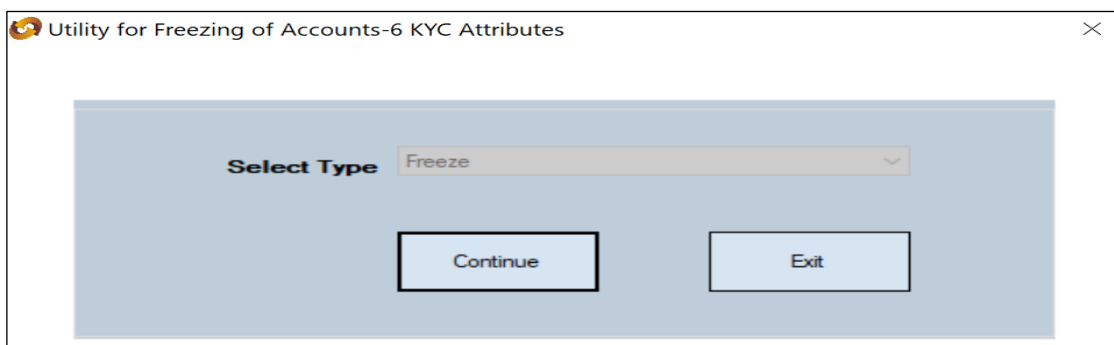
Prerequisite :- ClientImages folder should be present in C drive of the machine. If the same is not present, create a folder with the above name - **Clientimages** in C drive of the computer.

1. Unzip the file – ‘Utility for Freezing of Accounts-6 KYC Attributes.zip’ available on NSDL I-assist under maker login on link name - ‘Utility for Freezing of Accounts-6 KYC Attributes’ to a new folder. ‘Utility for Freezing of Accounts-6 KYC Attributes.exe’ and ‘Settings.ini’ will be extracted as shown below:



Name	Date modified	Type	Size
Settings.ini	12/28/2021 4:00 PM	Configuration sett...	1 KB
Utility for Freezing of Accounts-6 KYC Attributes.exe	12/28/2021 3:55 PM	Application	717 KB

2. Double click on ‘Utility for Freezing of Accounts-6 KYC Attributes.exe’ and below window will get open:



3. Upon clicking on ‘Continue’ button, below dialogue box will appear:

The screenshot shows the application window with the 'Header Record' tab selected. The title bar reads 'Utility for Freezing of Accounts-6 KYC Attributes'. The main area contains the following fields:

Batch No	
Record Type	02
Branch Code	000000
DP Role	01
Freeze Execution Date	20220321

4. On above screen, Participants have to enter the following two details on 'Header Record' Tab:

- i. **Batch No.:** Participant has to enter a unique batch number (eight digit) which is not used previously for upload of any transaction file in NSDL eDPM application in past. If the batch number is not unique/ already used for any type of transaction, then it will result in rejection of the freeze file in NSDL eDPM application with 'Duplicate batch' error.
- ii. **Freeze Execution Date:** Participant has to enter the 'execution date' as date on which the freeze need to be executed. No other field is editable/ to be updated by Participant in the 'Header Record Tab'.

The screenshot shows a web application window titled "Utility for Freezing of Accounts-6 KYC Attributes". It has two tabs: "Header Record" (selected) and "Details Records". The form contains the following fields:

Batch No	99000001
Record Type	02
Branch Code	000000
DP Role	01
Freeze Execution Date	20220321

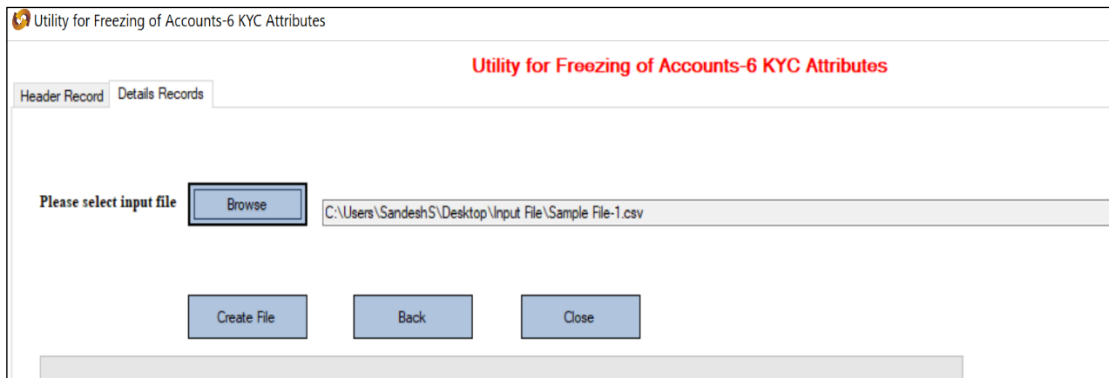
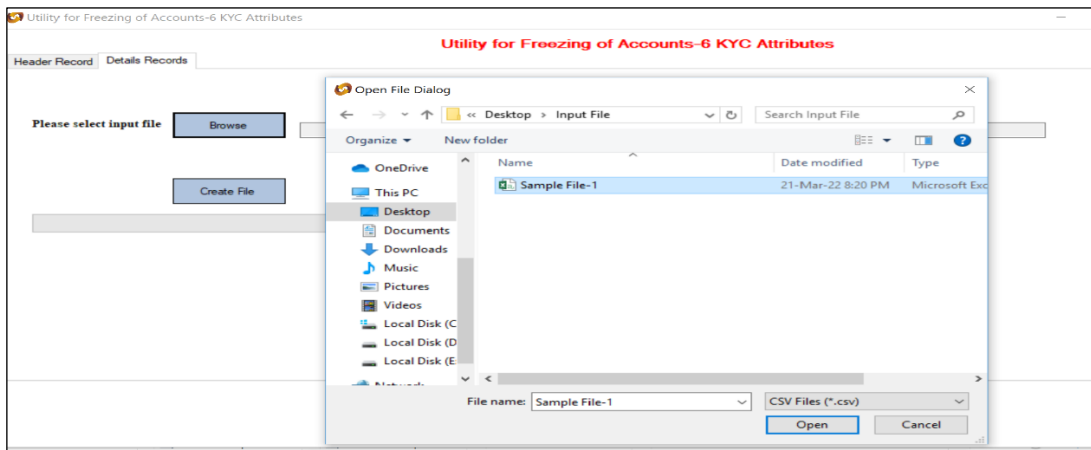
- iii. After inserting 'Batch No.' and 'Freeze execution date', click on 'Detail Record' Tab and **following** screen will appear:

The screenshot shows the same web application window, but the "Details Records" tab is selected. The form displays the following options:

Please select input file

- iv. On 'Details Records' Tab, browse and Select the input file (.csv format) provided by NSDL as exhibited below. Please note the Input file viz. (File-2 & File-3 as mentioned in circular) will be provided on NSDL I-assist under maker login with link name as 'Files for Freezing of accounts-6 KYC Attributes'. Please refer below screen shot for download of files from I-assist

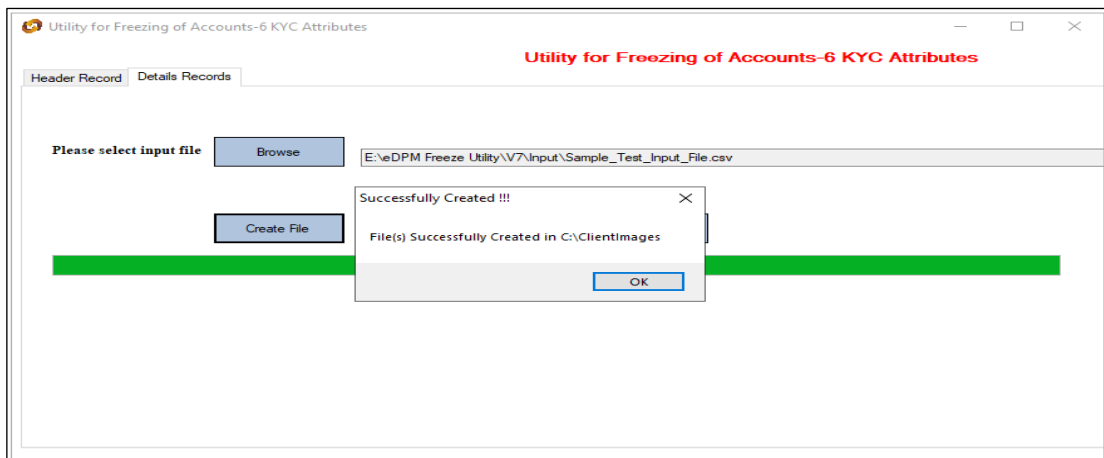
The screenshot shows the NSDL i-Assist portal. The header includes the NSDL logo and "i-Assist National Securities Depository Limited". The main content area is titled "NSDL DP BILLING AND PAN MODIFICATION INFORMATION SYSTEM". On the left, there is a sidebar with links: "Problem Reporting", "Call Report", "Files for Freezing of Accounts-6 KYC Attributes" (highlighted with a red box), and "Utility for Freezing of Accounts-6 KYC Attributes". The main area lists various services: "Interest Dividend Information Details", "Report on Bounced Emails - IDeAS registration through DIRECT", "DP BILLING DATA", "PAN MODIFICATION", "PAN REPORT", "Upload/Download KYC REPORT", "CUSTODIAL CLIENT's DEMAT ACCOUNT DATA", "Invalid Mobile and Email Download/Upload", and "UCC Upload". On the right, there is a vertical list of buttons: "INTEREST DIVIDEND INFORMATION DETAILS", "BOUNCED EMAIL", "DP BILLING", "PAN MODIFICATION", "PAN REPORT", "KYC UPLOAD/DOWNLOAD", "Upload File", "Upload File", and "Upload File".



- v. Upon selecting required file, click on 'Create File' button. Once the file is uploaded, the utility will create freeze file(s) as exhibited below in batches of 25,000 records in each file.

Fig. 1. If the input file contains 30,000 records, the utility will create two freeze files of 25,000 and 5,000 records respectively.

Fig. 2. If the input file contains 20,000 records, the utility will create a single freeze file of 20000 records.



- vi. On clicking 'Ok' button, utility will be closed automatically.

vii. Requisite freeze text file(s) will be created in 'C:\ClientImages' folder by the name: 'Freeze_DPID_BatchNumber_Date.txt'. The Freeze File which is generated through Utility will be having following values by default:

- Level of Suspension- Client Level Suspended for Debit
- Freeze Reason Code- 37 (Non Compliant - 6 KYC Attributes) as informed vide NSDL Circular no. NSDL/POLICY/2021/0131 dated December 28, 2021.

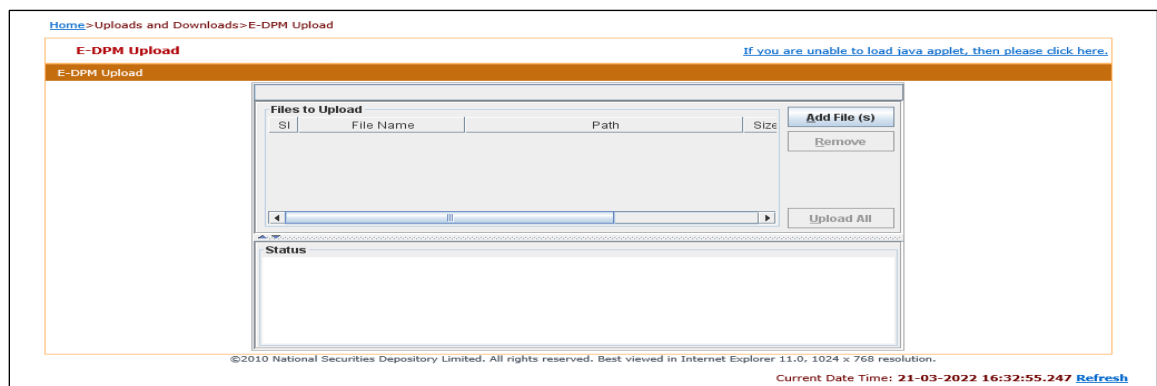
viii. Once the text files are generated from utility, for executing freeze instruction, Participants have to upload the said file(s) on NSDL eDPM application.

5. Procedure for upload of text file(s) generated from utility on NSDL eDPM system:

i. For upload of freeze text file generated from utility on eDPM, after login to eDPM through maker login, click on 'E-DPM Upload' under 'Upload & Download' menu as displayed below:



ii. Upon clicking on 'E DPM upload' tab, following window will get open. Click on 'Add File (s)' to select the 'Text File' to be uploaded. After selecting the requisite file(s) click 'Upload All'.



iii. Once the file is uploaded, a 'File Reference ID' will get generated as exhibited below.

Files to Upload				
Sl	File Name	Path	Size (Bytes)	Last Modified
Add File (s) Remove Upload All				

Status

Uploading File : C:\Users\SandeshS\Desktop\Temp\WFMS\Testing\Freeze_IN302679_99206924_20220322.txt
 Receiving Information from the Server...
 Uploading the file : Freeze_IN302679_99206924_20220322.txt
 *REFERENCE NUMBER for Freeze_IN302679_99206924_20220322.txt is **79305**
 Cleaning all temporary files...
 Done

iv. To verify release the freeze file captured by Maker user, checker user has to click on 'Verify Release' tab under 'Upload/Download' menu as exhibited below:

eDPM Depository Participant Module					Switch BP ID Home Local DPM Change Password Logout
Welcome: SHUBHAMM Last Login Date: 21-03-2022 BP ID: IN300644 BP Name:					Business Date: 21-03-2022
Client Maintenance	Demat/ Remat	Settlement	Pledge/ Hypothecation	Hold On Securities	System Security
Home > Uploads and Downloads> E-DPM Upload					Upload/Download E-DPM Upload Demat Instruction Upload Master DP Upload SPEED-e Functionality Client Maintenance Upload Transfer of Holding (Account Closure/Transmission) Branch Master Upload DIS Issuance Upload Verify Release ShareHolder Name Mismatch Report- DRN

v. After clicking on 'Verify Release', following screen will be displayed. On 'Verify Release' screen, checker user can search the captured instructions by providing either of following input:

- 'File Reference ID (as mentioned at point no. 5 (ii) above), or
- Inserting File Upload Date in 'From Date' & 'To Date'

After inserting aforesaid details (any one or both), the captured record will appear on screen as exhibited below:

[Home](#)> Upload/Download> VerifyRelease

Search

*Indicates mandatory fields.

File Reference No : * Transaction Group : Status :

From Date : To Date :

File Reference ID	File Name	Transaction Group	Status	Response	Error	Report	VR Response	VR Error	Verify Release
56040	Freeze Initiation_STAGING_I N300126.txt	SETTLEMENT	ACCEPTED	Out File	NA	NA	NA	NA	Verify and Release

- vi. After selecting requisite freeze instruction, checker user has to click on 'Verify Release' to verify release the freeze file captured by maker user. Once the files is successfully verify released, following message will be displayed on screen.

[Home](#) > Upload/Download > VerifyRelease

Search

*Indicates mandatory fields.

File Reference No : * Transaction Group : Status :

From Date : / / To Date : / /

File Reference ID	File Name	Transaction	VR onse	VR Error	Verify Release
56040	Freeze Initiation_STAGING_ I N300126.txt		NA	NA	Verify and Release

After verify release of freeze instruction, Participant are requested to check and monitor the status of such instruction Participants are also requested to ensure that EOD process is completed on the cut-off date i.e. April 1, 2022. For any assistance in this activity, Participants may contact help desk on 022 - 48867000 / 24997000 or email at helpdesk@nsdl.co.in.