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**Procedure for Transfer of MT Financed Securities from the Main Account of an MT Account Holder (Trading Financier - TF) to an MT Account or the Clearing Company (NCCPL)**

This procedure covers the requirement of Regulation 9D.2 of the CDC Regulations where pursuant to an MT Transaction; any MT Financed Securities are Delivered by the Clearing Company (NCCPL) into the Main Account of an MT Account Holder due to the closure or blocking of an MT Account being a house account or a sub-account of his corporate client.

Accordingly, securities will be delivered from the Main Account of the MT Account Holder as per the following procedure:

1. NCCPL will be required to immediately report all such delivery (ies) to CDC (MCSS/Branch) alongwith relevant details such as Participant ID, and sub/house account number.
2. On the basis of the above, CDC (MCSS/Branch) & NCCPL (hereinafter referred to as entities) are required to contact the MT Account Holder (TF) for the opening of new sub account or house Account (subject to CDC legal approval). Thereafter, TF in case of a sub account is required to inform both the entities accordingly.
3. After opening of new account, CDC would allow the TF to move the securities through FD-Intra functionality with specific reason code from the Main Account to the new account in the controlled environment.
4. For execution of transaction in a control environment, first, FD Intra saving will be allowed / provided to a specific user of TF for saving of transaction.
5. TF will be required to inform CDC after execution of saving. Based on which CDC will take save authority from the user.
6. After saving, specific user of TF will be allowed to post the transaction. Again, TF will be required to inform CDC after posting of transaction.
7. In the above case valid Balance Order (BO) delivery transaction will fail pursuant to MT (Release) Transaction, NCCPL would ask the TF to move the securities through FD-Inter functionality with specific reason code to the Main Account of NCCPL. This movement will be executed in a controlled environment in a same manner (as mentioned in points 4 to 6 above) after receiving intimation from NCCPL.
8. Thereafter, NCCPL will deliver the securities from the Main Account of the NCCPL into the target Account using the specific reason code.



**Note:**

For the purpose of this procedure, “**MT Account Holder**” means an Account Holder who is the Trading Financier (TF) & “**MT Account**” means a House Account of or a Sub-Account (corporate sub-accounts) under the control of an MT Account Holder.