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## Procedure for Opening & Updating Sub-Accounts in CDS

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Operations & Customer Support Services  
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## PROCEDURE FOR OPENING & UPDATING SUB-ACCOUNTS IN CDS

CDS is the Participant driven system where sub-accounts are opened by the Participants. All new Sub-Accounts shall only be opened in CDS based on the complete and correct information obtained from the investor as per the Standardized Account Opening Form (SAOF). The SAOF is part of CDC Regulations and is also placed on CDC's website [www.cdcpakistan.com](http://www.cdcpakistan.com). Terms & Conditions contained in the SAOF shall govern the opening and maintenance of the Sub-Accounts.

The Participant before opening a sub-account into CDS should obtain duly filled and signed SAOF from their Sub-Account Holders along with all necessary documents. Similarly necessary information / documents should be obtained prior to updating a sub-account. Participants to obtain signatures of concerned Sub-Account Holders / Authorized Signatories as acknowledgement on the **Posted Account Report** generated from CDS after establishing Sub-Accounts in their names within 30 Business Days.

Further, Participant must ensure that:

1. The sub-account holder is not a minor and fulfils the requirements of the Companies Act, 2017, the Central Depositories Act, 1997 and the Central Depository Company of Pakistan Limited Regulations in respect of a shareholder of a company. However, minor through a guardian can open a sub-account.
2. Sub-Account is not in the name of "Trust. The sub-account title for a trust can only be in the name of the "**Trustee.**" Example: (ABC Trustee)-(XYZ Income Fund).
3. A sole proprietorship or a partnership firm (with the exception of Limited Liability Partnership formed under the Limited Liability Partnership Act, 2017) cannot open and maintain a sub-account in the CDS, however they can open and maintain a sub-account in the name of sole proprietor or partner(s).
4. A Participant who is a registered Securities Broker shall not open and/or maintain sub-account in the CDS in its own name either under its own Participant ID or with any other Participant. Non-broker Participant may have sub-accounts with other Participant.
5. Participant is not required to enter Account Title and Joint Account Holder(s) name(s) manually at the time of opening of new sub account. When the Participant enters UIN in the designated field of CDS for the purpose of account opening, title will be automatically populated in the designated field as mentioned in the UIN database maintained with NCCPL.
6. Account Title and Joint holder(s) name are not allowed to be amended once inserted in the posted account. However, a new provision has now been introduced in the CDS for existing accounts where the account title in the CDS is required to be matched with account title available in UIN database. For matching the account title of existing sub accounts, Participants no longer have to request CDC for updation rights. Participants will now press the newly added "synchronize" button and the system will update the title (account holder and joint) as per title(s) mentioned in the UIN database. However, Participants shall not



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use “Synchronize Account Title” button for Trustee, Minor and Manager-to the-offer accounts.

7. At the time of account opening, in case where the account title is different from the UIN database (for e.g. Trustee accounts, account of the Minors, Manager-to-the-offer etc. needs to be added in account title, a request letter for by-pass will be required from the Participant, signed by their authorized signatories along with the certified true copies of the relevant supporting documents, enabling them to have the authority to insert the title other than the title mentioned in the UIN database.
8. Any updation in CNIC / Passport no. / NICOP / Registration no. is not allowed. In case of any change due to issuance of a new document, written request to be provided to CDC along with submission of certified true copy of relevant documents. Updation in CDS will be made after necessary changes in NCCPL database.
9. Input of Local mobile number for subscription to SMS-alert is a mandatory requirement for Individual Resident Pakistani Sub-Account Holders while input of email address for subscription to eAlert/eStatement is mandatory for Corporate Sub-Account Holders and Individual Sub-Account Holders having non-resident, Pakistani and foreigners for opening of Sub-Accounts in the CDS. The same requirement is applicable to all existing sub-accounts in the CDS
10. Residential status of the sub-account will be linked with the residential status of the Title Holder of the sub-account. Hence, residential status of joint holders can be different. In case where Residential Status is Repatriable, such as, Non-Resident Pakistani (Repatriable) / Foreigner (Repatriable), the Title Holder and all Joint Account Holders must possess the same Residential Status. Further, updation of residential status, as applicable, will be allowed based on written request of the Participant.
11. Zakat status is linked with the Residential Status such that where the user selects the status of Resident Pakistani, Non-Resident Pakistani (Repatriable) or Non-Resident Pakistani (Non-Repatriable), the Zakat status needs to be entered. For all other selections it will be automatically marked as ‘Not Applicable’.
12. Zakat Status of all account holders in an account should be identical.
13. Subsequent to the opening of sub-account, addition / deletion of joint holder(s) is not allowed.
14. In light of section 79 of the Companies Act 2017, the person to be nominated shall not be a person other than the close relatives of the sub-account holder, namely, a spouse, father, mother, brother, sister and son or a daughter..
15. In case of Joint Holders, input of nominee detail will not be allowed.
16. Additional Account Title field will be disabled for Updation of account. In case any change is required in Additional Account Title field, written request to be provided to CDC along with the relevant documents.
17. In order to open a new sub account, insertion of dividend mandate details i.e. IBAN, Branch Details and Branch City is mandatory. It should be noted that the title of the bank account should be that of the Main Title Account holder only and that would be



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systematically populated and restricted accordingly. To facilitate Participants to ensure that the provided IBAN is authentic and belongs to Main Title Account Holder only, a new disabled (view only) field has been incorporated in account setup functionality in CDS namely “IBAN Title” having maximum length of 30 characters would be reflected from 1-Link as provided by the respective Banks.

18. In case of account opening of Minors, Manager-to-the-offer account etc, a request letter for by-pass will be required from the Participant, signed by their authorized signatories enabling the title of bank account to be updated accordingly. Further, in case of CDS account of a Minor, IBAN to be inserted therein would be that of the relevant Guardian. Moreover, in case of CDS account of Manager-to-the-Offer, IBAN to be inserted therein would be that of the relevant Acquirer.
19. Permanent Address field is available in addition to the mailing address field in CDS with the selection of city, province and country (as applicable). While the Residential Status is associated with the city, province and country fields such that the fields will be enabled or disabled as per the selected Residential Status.
20. In case of individual account, Business / Participant address is not allowed in the permanent address field.
21. In case of corporate account, Registered/Head office address should be entered in permanent address field.
22. Mailing address should be correct and complete i.e. (House #, Street #, Sector / Block / phase/ number, nearest land mark, area, city, province & country name). In case the permanent address is same as the mailing address, the Participant will be able to copy the same address. The Residential Status is also associated such that the fields will be enabled or disabled as per the selected Residential Status.
23. Person maintaining sub-accounts, either singly or jointly, must select “INDIVIDUAL” as Shareholder category.
24. Contact person can only be the sub-account holder him / herself (or any of the joint holder(s)). Moreover, a person in whose name the Power of attorney is issued by the account holder(s) can also be the contact person.
25. Participant may add or update details pertaining to Special Convertible Rupee Account (SCRA) of Sub Account Holder in case of resident status selected as “Repatriable”.
26. Attorney Details must be recorded in the attorney fields (if applicable).
27. In case of any change in the registration details of the sub-account holders, the respective Participant himself can make necessary changes in the registration details based on their SAOF & internal procedures which must be framed in light of the Central Depository Company of Pakistan Limited Regulations and these Procedures.

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