

➤ **What is CDSC?**

CDS and Clearing Limited (CDSC), is first and only Deposit company of Nepal, established under the Company Act 2063 and wholly owned subsidiary company **by Nepal Stock Exchange Limited (NEPSE)**

The main objective of the company is to act as a central depository for various instruments (Equity, Bonds, and Warrants etc.) especially to handle securities in dematerialized form. This organization is entrusted with the safekeeping, debit, and credit of securities in DEMAT form and transfer of ownership/rights of the said instruments within settlement cycle. The depository function is governed by **the securities regulations of Securities Board of Nepal (SEBON).**

➤ **Dematerialization (अभौतिकीकरण)–DEMAT ?**

- ❖ Dematerialization refers to the conversion of Physical/Paper Stock into the Electronic version.
- ❖ Dematerialization is Mandatory for Commercial Bank currently and within First month of 2072 in phase wise system all the NEPSE listed companies have to dematerialize its stocks.
- ❖ We Janata Bank Nepal Ltd, is also the registered **DP of CDSC Ltd** , thus we could collect the DEMAT request form(Anusuchi-16) of any shareholders from any other NEPSE listed companies *but the shares of that company must be registered with CDSC for the Dematerialization*
- ❖ Dematerialization of stock is *free facility* to all investors *but for DEMAT one Must have DP/DEMAT Account from the registered DP.*

Merits and Demerits of De-mat

S.no.	<u>Demerits of Non- Dematerialization</u>	<u>Merits of Dematerialization</u>
1	Handling of large volume of Paper	Paperless
2	Longer settlement period	Reduced settlement cycle T+3
3	Chances of Frauds	Elimination of Frauds
4	Space Consuming	Less Space required
5	Bonus, Right Certificate & Dividend printing cost high	Cost elimination of Bonus, Right Certificate & Dividend printing and issue
6	Listing of share is time and effort consuming	Listing is less time and effort consuming

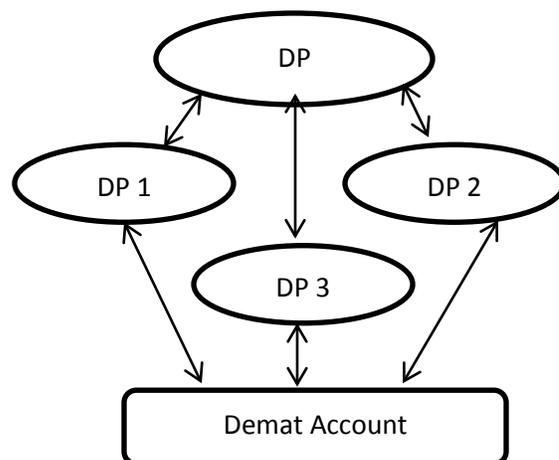
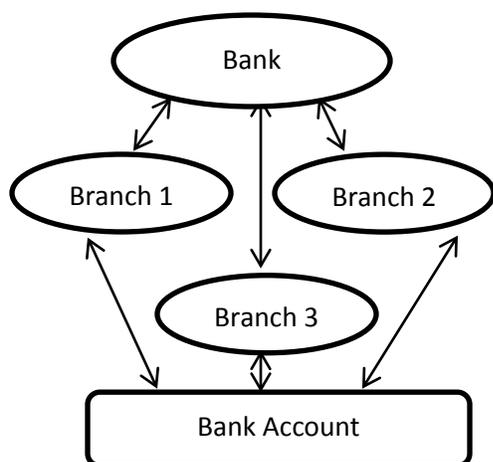
➤ **Depository Participants (निक्षेप सदस्य, DP) -?**

“Depository Participant” means securities business person or the body corporate having membership of Central Depository Company- **Central Depository Service Regulation,2010** (धितोपत्रको केन्द्रीय निक्षेप सेवा नियमावली,२०६७)

Difference of Bank and DP

S.n o.	<u>Bank</u>	<u>DP</u>
1	Holds funds in an account on behalf of a customers	Holds securities in an account on behalf of an investor
2	Transfer funds between accounts on the instruction of the account holder	Transfer securities between accounts on the instruction of the account holder
3	Physical handling of funds is avoided	Physical handling of securities is avoided
4	Provides safe custody of funds	Provides safe custody of securities

Comparison of Bank and DP



➤ **DEMAT Account/DP Account**

- ❖ Demat account is just like Bank account where both Dr. and Cr. transactions occurs but only differences is that in Bank account we deal with CASH but in Demat Account we deal with STOCKS.
- ❖ This account is used for parking the electronic version of stocks, dividend(in near future).
- ❖ For opening Demat account we use Annusuchi 12 and 13 for individual and company respectively along with Annusuchi 15 compulsory.

➤ **Required Documents for Opening the Demat A/C:**

(धितोपत्र केन्द्रीय निक्षेप सेवा विनियमावली, २०६८ को परिच्छेद-४, नियम २० बमोजिम)

सि.न.	प्राकृतिक व्यक्ति	कम्पनी वा संस्था
१.	अनुसूची-१२ तथा १५को फाराम भर्ने	अनुसूची-१३ तथा १५को फाराम भर्ने
२.	नेपाली नागरिकताको प्रमाणपत्र वा गैर-आवासीय नेपालीको हकमा सोको परिचय पत्रको प्रतिलिपि तथा १ प्रति पासपोर्ट साइजको फोटो	कम्पनी वा संस्था दर्ता प्रमाणको प्रतिलिपि, संचालक समितिको निर्णय, खाता संचालनका लागि अख्तियारनामा, अख्तियारी प्राप्त व्यक्ति /हरुको फोटो तथा नागरिकता प्रमाणपत्रको प्रतिलिपि
३.	हितग्राही नाबालक भएमा संरक्षकत्व खुले कागजातको प्रतिलिपि तथा संरक्षक तथा हितग्राही नाबालकको १-१ प्रति पासपोर्ट साइजका फोटो तथा नागरिकता प्रमाणपत्रको प्रतिलिपि	

➤ **Charges Details of DP as per the CDSC Bvelaws,2068, Annex14**

शुल्कको शिर्षक	रकम
खाता खोले शुल्क (Account opening Fee)	रु. ५०
खाता संचालन वार्षिक शुल्क (Annual Fee)	रु. १००
धितोपत्र हस्तान्तरण शुल्क (Shares transfer Fee)	प्रति हस्तान्तरण रु.२५
पुनः भौतिकीकरण शुल्क (Re-materialization fee)	रु. ५०
धितो बन्धकी शुल्क (Share Pledge Fee)	रु. ५०
खाता रोक्का शुल्क (Account Holding Fee)	रु. २५

- **Beneficiary owner (BO):** BO Means the Person who has opened their Beneficiary owner Account/Electronic Account/Demat Account/DP Account with the CDSC through the registered DP for depositing their securities or the instrument.

- ❖ Person who opened A/C at DP will get one BOID (Beneficiary owner identity number) which is like a Bank A/c and it should be mention in all the future transaction. It is a unique 16 digit number where 1st 8 digits is DP number (which is provided by CDS and is constant) and Last 8 digit is Client ID which is provided by DP. It cannot be duplicate, means two BOs cannot have the Same BOID.

- ✓ **We Janata Bank Nepal Ltd is a registered Depository Participants (DP) and Janata Bank (DP) will provide the services not only to our shareholders but also to the investors of all listed companies at NEPSE.**

Services provided by a DP (Janata Bank Nepal Ltd) to the investors are:

1. To open the de-mat account
2. Dematerialization of securities
3. Re-materialization of securities
4. To maintain record of securities in the electronic form
5. Settlement trades by transferring/receiving the Securities from/in Beneficiary Owner (BO) accounts,
6. Settlement of off-market trades that is occurred between BOs outside NEPSE
7. To provide electronic credit of securities allotted by Issuers during IPOs
8. To deposit the non-financial corporate benefits (such as: bonus, right shares, etc.) Issued by issuers in the De-mat account of BOs,
9. To facilitate in pledging of dematerialized securities.