

30th July 2014

CIRCULAR NO: 11-07-2014

To: - Chief Executive Officers of Member Firm Participants of CDS
- Heads of Custody Services of Custodian Banks

Dear Sir/Madam,

Introduction of CDS Statements via E Mail and SMS Alerts

Keeping in line with the CSE's strategy to provide investors with information in the most convenient and efficient manner and also to enhance the services offered by the Central Depository System (Pvt.) Ltd. (CDS) to its account holders, the CDS is pleased to offer all CDS account holders the following new services with effect from **1st August 2014**:

1. CDS statements through email.
2. SMS alerts on transactions

CDS Statements through e Mail:

An existing CDS account holder could subscribe for this service by filling in the applicable Form (Annex 1) and submitting it to CDS through the respective Broker Firm and thereby discontinue the receipt of a printed statement through regular mail. The applicable Form can be downloaded by investors from the CSE and CDS web sites (www.cse.lk, www.cds.lk) or obtained from any Broker Firm. Broker Firms could obtain the relevant Form from the CSE Head Office or any of the CSE Branch Offices.

The new CDS Account Holders could subscribe for this service by filling in item 16 of the new CDS Form 1 [Application for Opening of Securities Account (For Individuals)] (Annex 3) .

An email statement is convenient in terms of storage, accessibility and above all, will enable CDS account holders to receive their month end statements in a timely manner. A number of inconveniences that occur due to returned CDS Statements could also be avoided through the new format of statement dissemination.

Contd2/-

SMS Alerts:

An existing CDS account holder could subscribe for this service by filling in the applicable Form (Annex 2) and submitting it to CDS through the respective Broker Firm. The applicable Form can be downloaded by investors from the CSE and CDS web sites (www.cse.lk, www.cds.lk) or obtained from any Broker Firm. Broker Firms could obtain the relevant Form from the CSE Head Office or any of the CSE Branch Offices.

The new CDS Account Holders could subscribe for this service by filling in item 17 of the new CDS Form 1 [Application for Opening of Securities Account (For Individuals)].

The SMS service will enable a CDS account holder the prospect of receiving two daily updates; firstly regarding the transactions taking place on the CDS account through the Automated Trading System (ATS) of the CSE and secondly detailing all CDS transactions on the CDS account.

The end of day updates will keep users updated on market purchases, sale of shares, deposit of shares, transfer of shares, Initial Public Offers (IPO) direct uploads, subdivisions and consolidations, direct upload of shares resulting from further issue of shares such as Rights Issues.

This SMS update will enable subscribers to monitor their daily transactions and in turn, clarify with their stock broker any discrepancies with regards to these transactions. These updates, will minimize faulty transactions, by allowing time for clarifying and rectifying any miscommunications or lapses.

Amendments to CDS Rules:

In order to facilitate the above initiatives, Sections 11 and 13 of the CDS Rules have been amended by the CDS with the approval of the SEC.

The details pertaining to the said amendments are as follows:-

SECTION 11

CDS ACCOUNT STATEMENTS

Rule 11.1 [Periodic CDS Account Statements]

Rule 11.1 has been amended to enable the CDS to provide CDS monthly statements in soft form to CDS Account Holders.

Rule 11.2 [Returned CDS Account Statements]

Rule 11.2 has been amended to include provisions pertaining to returned CDS e-statements.

Contd 3/-

Rule 11.3 [Copies of CDS Account Statements]

This Rule has been amended to include provisions pertaining to obtaining additional CDS statements to their e-mail addresses.

**SECTION 13
GENERAL**

Rule 13.1 (a)(ii) [Release of CDS information - Information pertaining to a Client Account]

This Rule has been amended to make provision to receive information on a Client Account via email and/or SMS to a given email address/telephone number.

Rule 13.7 [Service Charges payable to CDS]

Rule 13.7 has been amended to empower the CDS to charge any fees applicable in respect of the services rendered to an Account Holder, directly from the respective Account Holder.

The above amendments are effective from **1st August 2014**. The updated CDS Rules may be downloaded from the CSE and CDS websites (www.cse.lk, www.cds.lk).

Yours faithfully,



Nalin Fonseka
Manager
Central Depository Systems (Pvt) Limited

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