



Central Depository Systems (Pvt) Limited

CONVENIENT | DEDICATED | SECURE

eNomination for CDS Accounts & a
quick glance at other recent CDS
initiatives

Problem...

The nomination procedure in Sri Lanka was inconvenient for both shareholders and issuers. Shareholders needed to visit each issuer & hand them over documents. In the event of a transmission, the nominees also has to visit the issuers and submit long lists of documents. This procedure was not practical, and it was cumbersome.



Solution

The CDS conducted a market research of regional peers and proposed a centralized solution for listed company nominations to be submitted electronically and to maintain the nomination records in the depository.



Platform & Connectivity

The CDS eConnect, which is the one-stop-shop for all CDS accountholders, participants and the issuer activities was our solution.



Challenges faced

At the initial stage we had Legal concerns about the electronic submission, which we overcame with several rounds of discussions with stakeholder. Onboarding all Company Secretaries/Registrars for the proposed solutions was a bit difficult task.



Phase I of Our Solution

Account Holder access the eConnect and click on the "Nomination" option



Account Holder select the CDS account number or select apply to all CDS accounts (excluding joint accounts)



Account Holder enters nominee info
(should be able to add 1 or more nominees)



Account Holder attaches the NIC copies of the nominees



Account Holder agrees to terms & conditions & submit the completed form



Submitted nomination form is sent to the relevant participant(s)



Once verified & approved by the broker the nomination form is sent to the CDS



A PDF is generated with all digital signatures (CDS account holder, Broker users & CDS Users)



Phase II of Our Solution

CDS Participant is notified of the death of an accountholder & they upload a copy of the death certificate submitted to them



CDS flags the CDS account as a Deceased account & Trading suspend the a/c



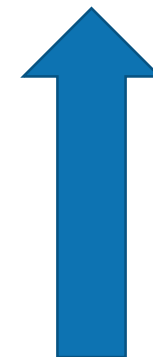
All nominees are sent an alert to initiate the transmission process via the eConnect



CDS Participant verifies Nominee info in transmission request against the nomination Form submitted



CDS receives & accepts the request for transmission and forward the same for relevant Company Secretaries/Registrars



Company Secretaries/Registrars approves the transmission forms



Shares are transferred from the deceased shareholder account to beneficiary account(s), subsequent to CDS approval



Beneficiaries, stockbrokers & company secretaries are notified of the share transfers

Benefits



The company secretaries and registrars will not have to spend time and resources to handle these matters.



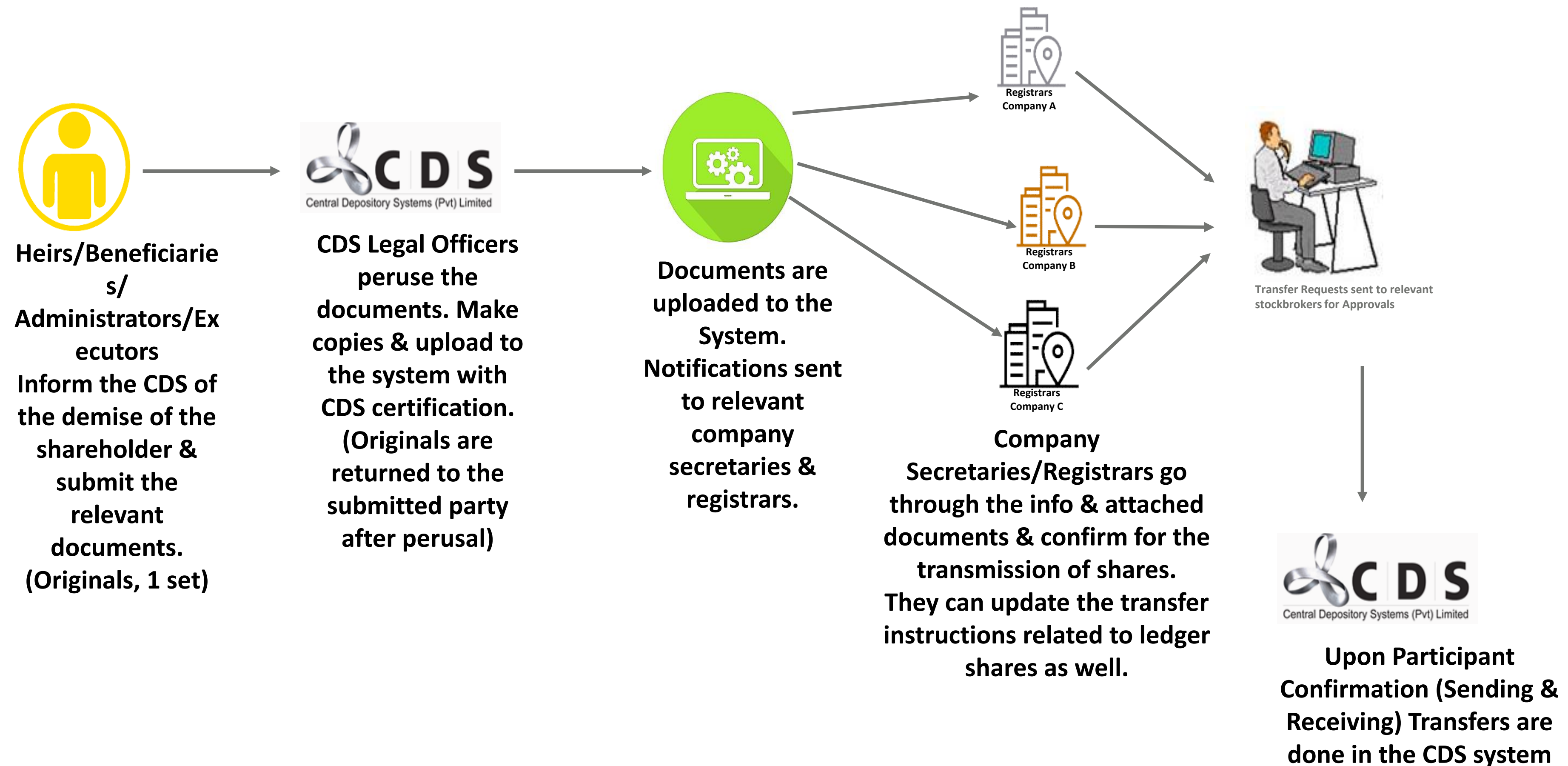
One central point of contact for shareholders which will make their lives easier.



Less complications for all stakeholders.

Future Plans

The CDS is aiming to centralize the transmission of shares process by introducing a repository for documents related to share transmissions

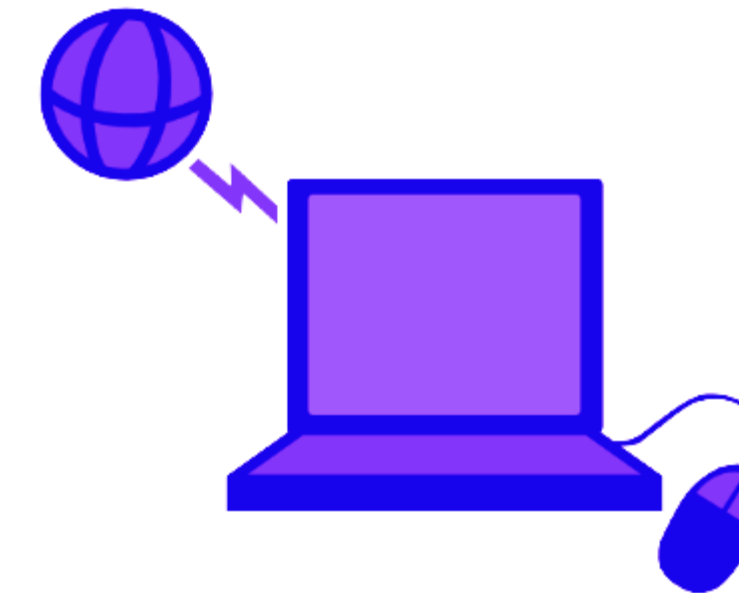


Other Initiatives



eIPO

Facility for CDS account holders to apply for IPOs electronically



CDS eConnect

Revamped to Facilitate Individual and Institutional CDS account holders including Margin providers & wealth managers



Thanks