

Convenient # Dependable # Secure COMMUNIOUÉ TO DEPOSITORY PARTICIPANTS

CDSL/SURV/DP/POLCY/2025/316

May 12, 2025

SURVEILLANCE OBLIGATION FOR DPS ADVERSE OBSERVATIONS, SYSTEM ENHANCEMENT, REITERATION OF PENALTY PROVISION AND REMINDER EMAILS TO DPs

DPs are advised to refer to

- Communiqué no. CDSL/OPS/DP/SYSTM/2021/309 dated July 15, 2021
- Communiqué no. CDSL/OPS/DP/SYSTM/2022/5 dated January 04, 2022
- Communiqué no. CDSL/SURV/DP/POLCY/2023/88 dated February 10, 2023
- Communiqué no. CDSL/OPS/DP/POLCY/2024/561 dated September 24, 2024
- Communiqué no. CDSL/AUDIT/DP/POLCY/2025/105 dated February 12, 2025

A. <u>Timeline for DPs to report adverse observations.</u>

DPs to note that "with respect to the alerts generated by the DP, DP need to report instances with adverse observation (if any), along with details of action taken, to CDSL within 7 days of the date of identification of adverse observation".

In line with SEBI's directive to establish a clear timeline for Depository Participants (DPs) to address adverse alerts from the transaction date, a two-month period has been mandated for DPs to thoroughly analyse and report any adverse observations from the date of the transaction. Accordingly, DP must report adverse observations for transactions within 2 months from the date of transaction. DP may note that while reporting adverse observations to CDSL, DP should provide details of the analysis conducted by them and a clear rationale for classifying the matter as adverse.

B. Facility to upload supporting documents for Surveillance alerts.

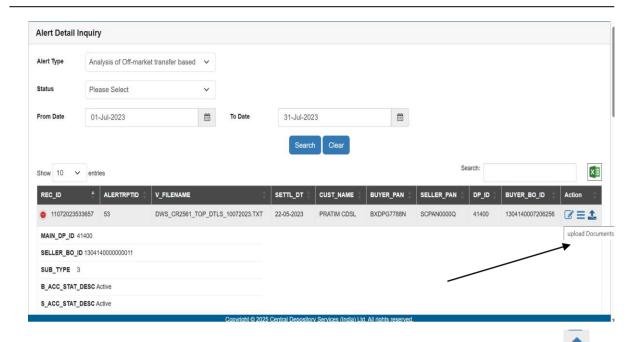
CDSL is pleased to inform you of an enhancement to Surveillance portal, allowing DPs to upload supporting document on as-needed basis, along with the clarification for Surveillance alerts raised by CDSL on Surveillance portal. This feature allows DPs to attach necessary supporting documents along with the remarks, ensuring secure handling of sensitive information and maintaining a proper trail of shared documents for easier tracking and referencing in the future.

The detailed procedure for attaching documents to CDAS-Surveillance portal is enclosed below for your reference:

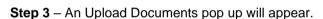
Step 1 – After logging into the Surveillance Portal, navigate to the 'Alert Inquiry' menu and select the specific alert for which the documents need to be uploaded.

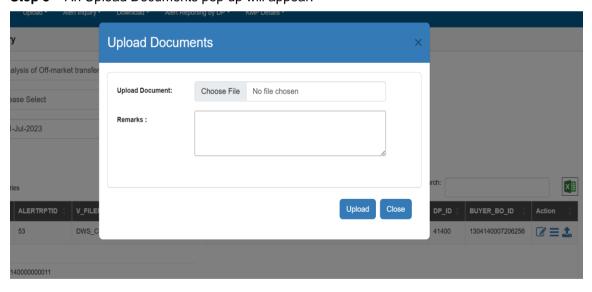


Convenient # Dependable # Secure COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS



Step 2 – Go to the action column on the extreme right side and click on the upload symbol

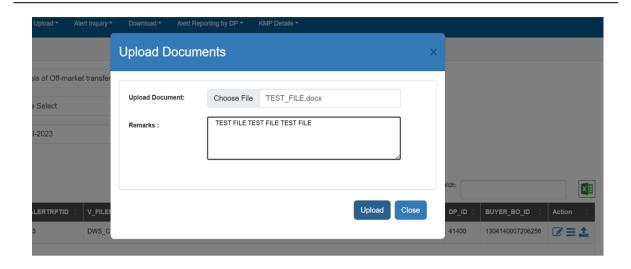




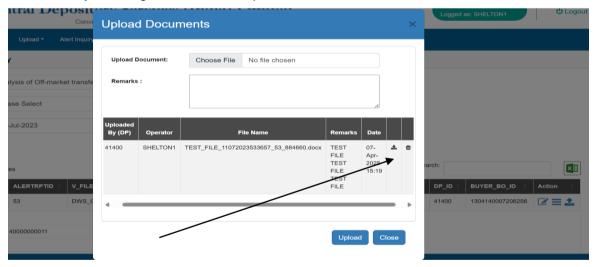
Step 4 – Click on Choose File and select your desired document.



Convenient # Dependable # Secure COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS



Step 5 – Enter your remarks and click on Upload. As seen below, the file is displayed along with a Download option symbol as well as a Delete option symbol on the right side of pop-up box. If required, CDSL may also upload documents related to the alert. DPs can view these documents by selecting the "Download" option.



DPs should note of below-mentioned points while using this facility.

- 1. The file name must not contain any space.
- 2. User can enter remark of up to 100 characters.
- 3. The size of each attachment should not exceed 5 MB.
- 4. Users are allowed to upload multiple attachments.



Convenient # Dependable # Secure COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

C. Dashboard Facility for DPs

CDSL has introduced a new feature in the DP Alerts Dashboard, providing Depository Participants (DPs) with comprehensive access to key data and summary information on the surveillance alerts generated & assigned to them. This includes details such as the total number of alerts generated, pending alerts, alerts reviewed and returned by CDSL, closed alerts, and alerts addressed back to CDSL. DP can view month wise alerts up to one year at a time.

Below is the step-by-step process to view the dashboard facility:

- Step 1: DP must log into their Surveillance App portal.
- Step 2: Click on Dashboard and then click on DP Alerts Dashboard.

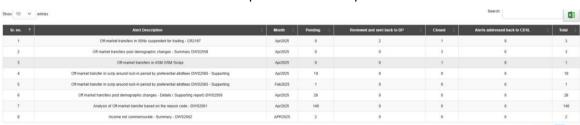


Step 3: Select the date range for the alerts generated (DP can view alerts for up to one year at a time).

Step 4: Select the From date and To date and then click search.



The dashboard for alerts will be visible as per the below snapshot.



Clear



Convenient # Dependable # Secure COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

This dashboard will assist DP to keep a track of status and numbers of the alerts generated by CDSL. DPs are encouraged to make use of this new feature for improved tracking and management of surveillance alerts.

D. Reiteration of penalty provision

Depository Participants (DPs) are advised to take note of the penalty provisions issued, as communicated vide CDSL Circular No. CDSL/SURV/DP/POLCY/2025/126 dated February 20, 2025. These provisions pertain to the non-submission of responses to surveillance alerts issued by the depository within the prescribed timeline of 45 days, as detailed below.

Operating Instructions - Annexure 11.1		
PENALTY STRUCTURE FOR DPs		
I	Operational Deviation	
Sr. No	Nature of Non-	Penal Action in ₹/ Action
	compliance	
46	Depository Participant has	₹500 per alert plus additional ₹1500 for any delay per
	not submitted response for	fortnight.
	the surveillance alerts	If total monetary penalty imposed under this head is
	shared by depository within	equal to or higher than ₹15,000/- during last
	stipulated time	consecutive six-month, matter would be referred to
		Member Committee.

Further following important points are re-iterated again for compliance at DP end.

- Adhere to the guidelines issued in CDSL Communique CDSL/OPS/DP/SYSTM/2021/309 dated July 15, 2021.
- Change in the timelines for disposal of alerts by DPs from 30 days to 45 days (stipulated time) from the date of alerts sent to DPs by CDSL.
- The aforesaid penalty (non-compliance point) will be applicable for the alerts generated by CDSL with effect from April 1, 2025.

E. <u>Surveillance Alert Reminder Emails – Bounce Issues and required</u> Actions by DPs

CDSL sends reminder emails for pending surveillance alerts to the respective Depository Participants (DPs). However, it has been observed that delivery of certain emails have consistently failed due to various issues encountered at the DPs' end (non-receipt of reminder emails). DPs are advised to coordinate with their IT/Technology departments to promptly investigate and resolve such email delivery issues, thereby ensuring the seamless and uninterrupted receipt of alert communications.



Convenient # Dependable # Secure COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

Actions required at DPs end:

- 1. Whitelist all the required IP addresses used by CDSL for sending system-generated emails.
- 2. **Refrain from unsubscribing** from reminder alert emails.
- 3. **Regularly monitor and ensure** that emails are not being marked as "SPAM" or moved to junk folders.

If any of the registered email IDs are no longer valid or in use, please arrange to remove or update them in the DP Master module within the CDAS system.

We advise concerned DPs to review the points mentioned above and take corrective actions promptly to avoid disruptions in receiving surveillance-related communications. Non-receipt of reminder emails will not be regarded as a valid reason for delays in responding to alerts generated by CDSL.

Queries regarding this communiqué may be sent to CDSL – Helpdesk through e-mail on helpdesk@cdslindia.com or may be addressed to CDSL – Surveillance on telephone nos. (022), 6234-3056/55/54/94.

For and on behalf of Central Depository Services (India) Limited

sd/-

Umesh Kambli AVP – Surveillance