

CSDs: Sri Lanka CDS (Sri Lanka)

Date: 16 Dec 2010

SMI Markets: Sri Lanka

CMIRR Markets: Sri Lanka

## Dematerialisation of All Listed Securities - Update

Further to our previous market newsflash, a "Locked Balance" facility has been introduced by the Central Depository System (CDS) to deal with the confidentiality and safety of securities required to be deposited in CDS due to the dematerialisation process. The locking facility will allow shareholders of listed companies to hold securities in CDS that they are required to deposit in a CDS account by 31 December 2011 but do not wish to trade on the Colombo Stock Exchange (CSE). This arrangement is intended to provide additional security to shareholders in respect to those securities.

The locking facility will be available within the existing CDS account. Therefore, a CDS account will have two categories of balances, i.e. a trading balance and a locked balance. The locked balance will not be visible to broker and custodian participants as opposed to the trading balance. On a written request by the shareholder, submitted to CDS through the relevant participant, CDS will transfer the specified quantity of securities from the locked balance to the trading balance and vice versa.

## CSD Risk Impact

### Sri Lanka CDS (Sri Lanka)

CSD Rating: A-

CSD Flash Impact: Stable

This newsflash is for information only.

## Market Information Impact

### Sri Lanka

This information affects the data contained in the Safekeeping/Post Settlement sections of the Securities Market Information Service.

## Infrastructure Risk Ratings Impact

### Sri Lanka

Market Rating: A-

Market Flash Impact: Stable

This newsflash is for information only.

Related Flash: [Dematerialisation of All Listed Securities, 02/12/2010 \(click to view\)](#)

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