



CDS ACCOUNT SET UP REQUIREMENTS

Contents

NON RESIDENTS	2
INDIVIDUALS	2
FOREIGN CORPORATES	2
CERTIFICATION (FOREIGN CORPORATE ACCOUNT).....	3
FREQUENTLY ASKED QUESTIONS.....	4

NON RESIDENTS

Nonresident clients who do not possess a custodian account will be registered with the CDS through Asia Securities.

Client registration will be completed upon forwarding the duly completed forms along with documentary and signatory requirements of CDS being met as specified below

INDIVIDUALS

- ❖ A copy of the valid Foreign Passport for Non nationals
- ❖ CDS Form 1
- ❖ CDS Form 1(A)
- ❖ Proof of residency document (copies of any utility bills with in 3 months)
- ❖ If a Non-national applicant wishes to open an account giving a local correspondence address that person should provide sufficient information regarding the correspondence address (e.g. Valid residential visa)
- ❖ IIA (Inward Investment Account) account1 details with documentary proof.

Note:

- ❖ If the account is to be opened using a Power of Attorney (POA) a copy of a valid POA is required
- ❖ For Joint accounts, same information is required from both applicants

FOREIGN CORPORATES

1. IIA Account details (Bank statement within 3 months or letter from the IIA bank addressed to CDS informing that the company maintain a IIA account)
2. A copy of Articles of Association of the company equivalent document.
3. Certificate of Incorporation of the company or equivalent document.
4. If a Director/s of the applicant is/are also a company, Certificate of Incorporation of such company.
5. A copy of the certificate of Good Standing or an equivalent document issued within a period of one year by the Registrar of companies / applicable authority where the company was incorporated.
6. A letter, issued within the 3 month period preceding the date of the application to the CDS form the Company Secretary on a company letterhead confirming below details.
 - a) Full name of the Corporate Body (Company/Statutory body/a body established under an Act of Parliament/Society.)
 - b) Registered address.

- c) Address for correspondence (if different from Registered Address.)
- d) Place of Incorporation / place where established.
- e) IIA (Inward Investment Account) Account details with proof (where the applicant is a Non-Resident.)
- f) Names, addresses, Passport number/s and occupations of Directors. (If the company is listed in a Stock Exchange only the names should be given. Proof of such listing should be submitted in that event. Website reference is accepted)

If the Director/s is/are also a company, the following information on such Director company should be given:

- (i) Name of the company.
- (ii) Date of Incorporation.
- (iii) Place of Incorporation.
- (iv) Registered Address.

If an authorized person is signing the CDS application form on behalf of the applicant company, a copy of the Board Resolution/Power of Attorney authorizing such person to sign on behalf of the Company and a copy of Passport of such person should be submitted.

- g) Names and addresses of top 10 shareholders/members. (Not applicable if the Company is listed in a Stock Exchange.)
- h) Name of person/s authorized to give instructions with a copy of the Power of Attorney/Board Resolution and copy.

7. CDS 2 and CDS 2A signed by two directors and the emboss and company seal placed on the signatures
8. KYC forms to be signed by two authorized signatories.

CERTIFICATION (FOREIGN CORPORATE ACCOUNT)

All supporting documents to be submitted to the CDS should be certified or attested or authenticated for purposes of validating by persons mentioned below. Such certification should state that the document certified is true copy.

1. By the company registry where the documents were originally issued.
2. By a Sri Lankan diplomatic officer or Sri Lankan consular officer in the country where the documents were originally issued.
3. By a solicitor, attorney-at law, notary public, practicing in the country where the applicant resides

FREQUENTLY ASKED QUESTIONS

- **What is a IIA account?**

A Inward Investment Account (IIA) is a LKR account which eligible investors could open to invest in Government Securities (Treasury Bills and Treasury Bonds), Equity capital of companies incorporated in Sri Lanka and Units of Unit Trusts in Sri Lanka

The IIA account has to be opened at any commercial bank to facilitate the inward and outward remittance of investments of non-resident investors

Where the application includes a Global Custodian and the application is forwarded through a Custodian Bank, a copy of the SWIFT message or similar document issued by the Global Custodian instructing the local Custodian Bank to open the account on behalf of the beneficiary company should be submitted together with a declaration from the Global Custodian that a Custody arrangement or agreement exists between the Global Custodian and the beneficiary.

Note: *At the time of IIA account opening, we advise you to provide a letter to the bank informing them to honor purchase orders send from Asia Securities. If no such authorization is provided, you will need to authorize each purchase done for the bank to issue to pay orders and this could result in delay for purchase payments more than t+3*

- **What are the global Banks operating in Sri Lanka?**

HSBC, Citi Bank, Standard Chartered Bank, Deutsche Bank

- **How does the Settlement cycle work for my transactions?**

The settlement is due in T+3 (Trade day + 3 working days) for both Buy and Sell side

Purchase: Asia securities will send the buy order trade confirmation to the bank where you have the IIA account. The Bank needs to have the funds ready by T+3 for collection

Sell: Trade Confirmation will be sent to bank on following day and on T+3, Asia securities will send the sell order proceeds to the Bank.

Important: For any trade value over LKR20mn, a 15% margin needs to be given on T+1

- **What will happen to the dividends that I get?**

The dividends you get can be directly remitted to your IIA account. When filling the application fill the IIA account details in dividend instruction section in e Service Form, section 03 .

- **How to handle Corporate Actions?**

You will need to liaise with your IIA bank and Advisor assigned to you by Asia Securities.

- **How can I take my money out of Sri Lanka?**

You are able to wire any amount available in your IIA account via your bank

- **Are there any other taxes applicable apart from my transaction costs?**

There are no taxes on capital gains. A withholding tax of 10% will be applicable on your dividends deducted at dividend payout.

ASIA
SECURITIES



INTEGRITY | INSIGHT | INNOVATION