

National Securities Depository Limited

**Introduction to Cross border
trading and services in
securities market**

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Topics



Sr. No.	Particulars / Topics
1	IFSC in Gift City
2	Unsponsored Depository Receipts (UDR)
3	Structuring of UDRs
4	Key Benefits
5	Client Onboarding Process



- GIFT City
- International Financial Services Centres Authority (IFSCA)
- International Financial Services Centre
- Permissible securities in IFSC
- Entities / Stake holders involved in the settlement of trade
- Who are eligible to trade



Un-sponsored Depository Receipts (UDR)



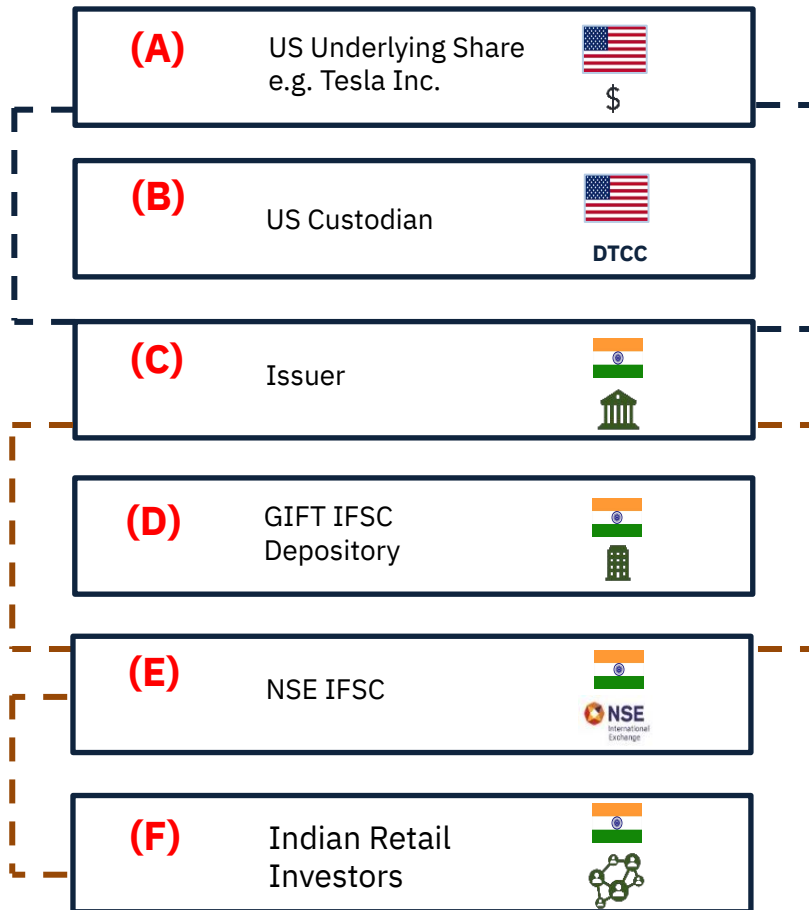
UDR is a negotiable financial instrument in the nature of depository receipt by the Custodian, in its capacity as an IFSCA recognized custodian based on underlying shares issued by a globally listed companies.

Salient features of the UDR :

- It is a negotiable financial instrument in the nature of a depository receipt as defined under the International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021.
- It is created without the involvement, participation, or consent of Issuers of Underlying securities and/ or of global exchange(s). Accordingly, the Underlying securities of Issuers are not, and will not be, involved in the issuance, trading or cancellation of UDRs.
- It gives the holder of such UDR a proportionate beneficial interest in the underlying share. The extent of such beneficial interest is a function of the ratio in which UDRs are issued vis-à-vis one Underlying Share of the relevant Underlying Company.

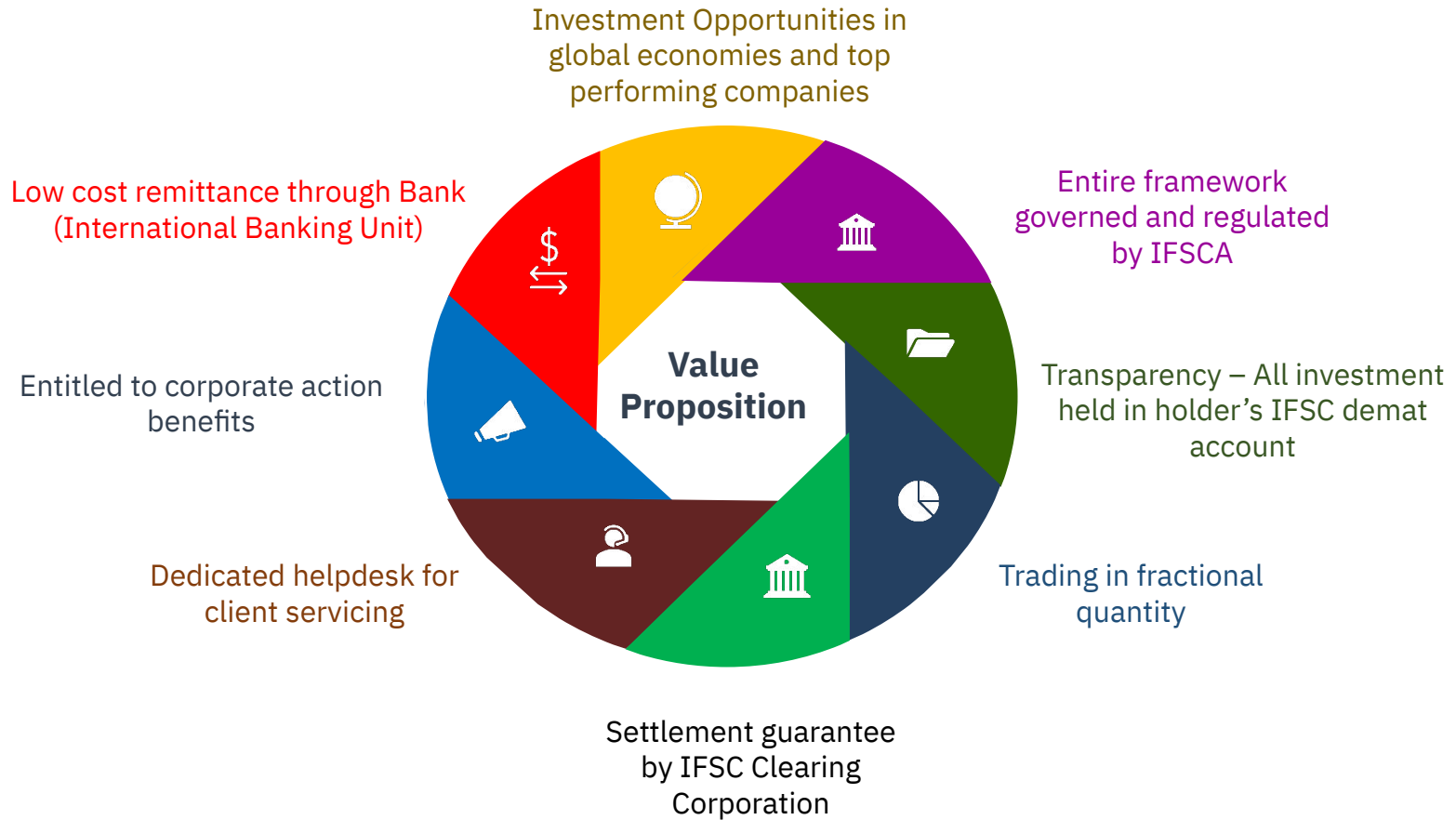
Structuring of UDRs

For example - US Stocks in NSE IFSC



- Trading of US stocks in NSE IFSC is in form of unsponsored depository receipts
- The US custodian to hold underlying US Shares in an account with DTCC
- For every underlying shares held at DTCC, HDFC Bank as NSE IFSC receipts Custodian will create corresponding depository receipts and credit beneficiary account at GIFT based Depository
- Indian retail investors can trade US Stock on NSE IFSC

Key benefits to investors



Client Onboarding Process

KYC

- KYC process
- Upload UCC files
- FATCA W-8BEN Report (Declaration for Non-US citizen)

Fund Remittance

- Transfer funds from existing bank account in India to Trading Member's segregated client account at GIFT IFSC



Demat Account

- Mandatory to open Demat account at GIFT IFSC based Depository

Settlement

- Settlement of funds for clients by TM/TCM

Start Investing in three simple steps

1

Account Opening

Open your trading and demat account with IFSC registered brokers and Depository Participants



2

Transfer Funds

Transfer funds from your local bank account to IFSC registered brokers bank account



3

Trading

Once the fund reflects in your broker's account, you are ready to trade in UDR

Thank you

