

Circular No.: NSDL/POLICY/2018/0018

Date: March 28, 2018

Subject: HUF Demat Account - Amendments to Bye Laws and Business Rules.

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2016/0082 dated October 4, 2016 regarding SEBI guidelines on opening of HUF demat accounts and procedure to be adopted in the event of death of Karta of a HUF (SEBI letter dated September 14, 2016). In this regard, Participants are requested to take note of the following:

1. Following amendments are made to the Bye Laws and Business Rules of NSDL:
 - a. Bye Law 9.10.2.1, Rule 12.6.4 and Rule 18.1.1 (I) (Sr. No. 3) are amended.
 - b. FORM 9 – Account Opening Form (for individuals) and FORM 11 – Account Opening Form (for non-individuals) are amended, so that the application for opening an account of an HUF is to be submitted in FORM 11 instead of FORM 9.
 - c. New FORM 40 is added for Change of name of Karta.
 - d. FORM 30 – Transmission Form is amended, as in case of death of Karta, FORM 40 is to be used.
2. Participants may continue to use the existing formats of Account Opening Form (FORM 9 and FORM 11) and Transmission Form (FORM 30) till the stock last. However, Participants must ensure that they are complying with the amended Bye Laws and Business Rules and obtain the specified information and documents from the applicant/claimant till the amended forms are brought into use.
3. The aforesaid amended Bye Laws and Business Rules are attached as Annexure A (without track change mode) and Annexure B (in track change mode). Amended FORM 9 (Account Opening Form for individuals), FORM 11 (Account Opening Form for non-individuals), FORM 30 (Transmission Form) & FORM 40 (Change in name of Karta) are also attached.
4. SEBI has vide its letter no. MRD/DSA1/OW/4947/2018 dated February 14, 2018 informed that “except married daughters” as mentioned in para 1.2 (a) of SEBI letter dated September 14, 2016 would not be applicable henceforth. The amended Bye Laws and Business Rules are notified after considering the same.



5. With respect to opening an HUF Account, Participants may take note of the following:
- For account opening of an HUF, KYC Application Form and Account Opening Form (for non-individuals) as laid out in FORM 11 of Business Rules of NSDL must be used.
 - The relevant changes in the DPM system are being made to facilitate account opening in the name of HUF and will be notified separately. Meanwhile, Participants may continue to open demat account in the name of Karta and capture the name of HUF in the field viz; "HUF Name" provided in DPM system.
 - Participants will be required to capture the list of family members as mentioned at point no. (J) of part II of FORM 11 includes the name of Karta of HUF along with other details of Karta in DPM system with respect to HUF account after necessary changes in DPM system are made. Meanwhile, Participants are requested to maintain such details in their internal records.
6. For existing HUF Accounts i.e. HUF Accounts which are opened on or before the date of release of new features in DPM system, the operational procedure for migration of these accounts will be notified separately.

Participants are requested to take note of the aforesaid and ensure compliance.

For and on behalf of
National Securities Depository Limited

Ravindra Sahu
Senior Manager

Enclosed: Nine

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 th of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Charge Structure	April 30 th every year.	By email at dpfees@nsdl.co.in	1. Circular No. NSDL/POLICY/2006/0064 dated December 26, 2006. 2. Circular No. NSDL/POLICY/2007/0003 dated January 8, 2007.