

Circular No.: NSDL/POLICY/2021/0078

Date: July 26, 2021

Subject: SEBI circular on Nomination for Eligible Trading and Demat Accounts.

Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 dated July 23, 2021 (copy enclosed) regarding Nomination for Eligible Trading and Demat Accounts.

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

For and on behalf of
National Securities Depository Limited

Chirag Shah
Senior Manager

Enclosed - One

FORTHCOMING COMPLIANCE

Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10th of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Internal/ Concurrent Audit Report (October 2020 – March 2021)	July 31, 2021.	Through e-PASS	1. Circular No. NSDL/POLICY/2021/0041 dated May 04, 2021 2. Circular No NSDL/POLICY/2021/0048 dated May 11, 2021
Compliance Certificate (January - June)	July 31st every year	Through e-PASS	Circular No. NSDL/POLICY/2019/0088 dated December 17, 2019.
Artificial Intelligence /Machine Learning Reporting Form (if offering or using such technologies as defined) (Quarterly)	July 31, 2021	By email at Participant-Interface@nsdl.co.in	1. Circular No. NSDL/POLICY/2019/0016 dated March 27, 2019 2. Circular No. NSDL/ POLICY/2020/0056 dated April 29, 2020 3. Circular No. NSDL/POLICY/2021/0041 dated May 04, 2021
Risk based Supervision of Participants (October 2020 – March 2021)	July 31, 2021	Through e-PASS	1. Circular No. NSDL/POLICY/2018/0050 dated September 25, 2018 2. Circular No.: NSDL/ POLICY/2020/0082 dated June 16, 2020 3. Circular No. NSDL/POLICY/2021/0041 dated May 04, 2021
Annual System Audit Report for the period ended March 2021	July 31, 2021	Through e-PASS	1. Circular No. NSDL/ POLICY/2020/0056 dated April 29, 2020 2. Circular No. NSDL/POLICY/2020/0071 dated May 19, 2020 3. Circular No. NSDL/POLICY/2020/0106 dated July 31, 2020 4. Circular No. NSDL/POLICY/2021/0041 dated May 04, 2021

CIRCULAR

SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601

July 23, 2021

To

All Recognized Stock Exchanges

All Recognized Depositories

Stock Brokers (Trading Members) through Recognized Stock Exchanges

Depository Participants through Depositories

Sir / Madam,

Nomination for Eligible Trading and Demat Accounts

1. Section 73 of Companies Act, 2013 provides for nomination by a holder of securities.
2. Investors opening new trading and or demat account(s) on or after October 01, 2021, shall have the choice of providing nomination or opting out nomination, as follows;
 - a. The format for nomination form is given in **Annexure - A** to this circular
 - b. Opt out of nomination through 'Declaration Form', as provided in **Annexure - B** to this circular

These forms at Annexure – A or B, would also be applicable for any subsequent change / withdrawal of nomination.

3. In this regard, Trading Members and Depository Participants (hereinafter, **intermediaries**), shall activate new Trading and Demat accounts from October 01, 2021, only upon receipt of above formats.
4. The nomination and Declaration form shall be signed under wet signature of the account holder(s) and witness shall not be required. However, if the account holder(s) affixes thumb impression (instead of wet signature), then witness signature shall be required in the forms.
5. The on-line nomination and Declaration form may also be signed using e-Sign facility and in that case witness will not be required.
6. Intermediaries shall ensure that adequate systems are in place including for providing for eSign facility and also take all necessary steps to maintain confidentiality and safety of client records.

7. Further, all existing eligible trading and demat account holders shall provide choice of nomination as per the option given in paragraph 2 above, on or before March 31, 2022, failing which the trading accounts shall be frozen for trading and demat account shall be frozen for debits.
8. The Stock Exchanges, Depositories and intermediaries are directed to:
 - a. take necessary steps to implement the provisions of this circular, including making necessary amendment to the relevant bye-laws / business rules / regulations / operational instructions, as the case may be
 - b. bring the provisions of this circular to the notice of their respective constituents and also disseminate this circular on their websites
 - c. communicate to SEBI, the status of the implementation of the provisions of this circular in Monthly Development Report of the following month; and
 - d. monitor the compliance of this circular
9. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of SEBI (Stock Broker) Regulations, 1992 and SEBI (Depositories and Participants) Regulations, 2018, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
10. This circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,

Deepak Trivedi
Chief General Manager
Tel. no: 022-26449753
Email id: dtrivedi@sebi.gov.in

Nomination Form

[Annexure A to SEBI circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 dated July 23, 2021 on Mandatory Nomination for Eligible Trading and Demat Accounts]

TM / DP Name and Address		FORM FOR NOMINATION (To be filled in by individual applying singly or jointly)																					
Date	D	D	M	M	Y	Y	Y	Y	UCC/DP ID	I	N					Client ID							
I/We wish to make a nomination. [As per details given below]																							
Nomination Details																							
I/We wish to make a nomination and do hereby nominate the following person(s) who shall receive all the assets held in my / our account in the event of my / our death.																							
Nomination can be made upto three nominees in the account.						Details of 1st Nominee						Details of 2nd Nominee						Details of 3rd Nominee					
1	Name of the nominee(s) (Mr./Ms.)																						
2	Share of each Nominee	Equally <small>[If not equally, please specify percentage]</small>					%						%						%				
<i>Any odd lot after division shall be transferred to the first nominee mentioned in the form.</i>																							
3	Relationship With the Applicant (If Any)																						
4	Address of Nominee(s)																						
		City / Place:																					
		State & Country:																					
		PIN Code																					
5	Mobile / Telephone No. of nominee(s)																						
6	Email ID of nominee(s)																						
7	Nominee Identification details – [Please tick any one of following and provide details of same] <input type="checkbox"/> Photograph & Signature <input type="checkbox"/> PAN <input type="checkbox"/> Aadhaar <input type="checkbox"/> Saving Bank account no. <input type="checkbox"/> Proof of Identity <input type="checkbox"/> Demat Account ID																						
Sr. Nos. 8-14 should be filled only if nominee(s) is a minor:																							
8	Date of Birth {in case of minor nominee(s)}																						
9	Name of Guardian (Mr./Ms.) {in case of minor nominee(s)}																						
10	Address of Guardian(s)																						

	City / Place: State & Country:						
		PIN Code					
11	Mobile / Telephone no. of Guardian						
12	Email ID of Guardian						
13	Relationship of Guardian with nominee						
14	Guardian Identification details – [Please tick any one of following and provide details of same] <input type="checkbox"/> Photograph & Signature <input type="checkbox"/> PAN <input type="checkbox"/> Aadhaar Saving Bank account no. <input type="checkbox"/> Proof of Identity <input type="checkbox"/> Demat Account ID						
Name(s) of holder(s)						Signature(s) of holder*	
Sole / First Holder (Mr./Ms.)							
Second Holder (Mr./Ms.)							
Third Holder (Mr./Ms.)							

* Signature of witness, along with name and address are required, if the account holder affixes thumb impression, instead of signature

Note:

This nomination shall supersede any prior nomination made by the account holder(s), if any.

The Trading Member / Depository Participant shall provide acknowledgement of the nomination form to the account holder(s)

Declaration Form for opting out of nomination
[Annexure B to SEBI circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 dated July 23, 2021 on Mandatory Nomination for Eligible Trading and Demat Accounts]

To	Date	D	D	M	M	Y	Y	Y	Y
Trading Member/Participant's Name									
Trading Member/Participant's Address									
UCC/DP ID	I	N							
Client ID (only for Demat account)									
Sole/First Holder Name									
Second Holder Name									
Third Holder Name									
I / We hereby confirm that I / We do not wish to appoint any nominee(s) in my / our trading / demat account and understand the issues involved in non-appointment of nominee(s) and further are aware that in case of death of all the account holder(s), my / our legal heirs would need to submit all the requisite documents / information for claiming of assets held in my / our trading / demat account, which may also include documents issued by Court or other such competent authority, based on the value of assets held in the trading / demat account.									
Name and Signature of Holder(s)*									
1. _____ 2. _____ 3. _____									

* Signature of witness, along with name and address are required, if the account holder affixes thumb impression, instead of signature