

CIRCULAR

SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2026/12676

May 29, 2026

To,

- 1. Asset Management Companies (AMCs) of Mutual Funds (MFs) and their Registrars to an issue and share Transfer Agents (RTAs)**
- 2. Recognized Depositories**
- 3. Registered Depository Participants**

Dear Sir / Madam,

Subject: Ease of doing investments - Modified Norms for Nomination in Demat Accounts and Mutual Fund Folios

1. SEBI had issued a circular on 'Revise and Revamp Nomination Facilities in the Indian Securities Market' ("Circular") dated [January 10, 2025](#), for demat accounts and mutual fund folios, with effect from March 01, 2025, in order to enhance the ease of investor on-boarding and the nomination process with the objective of preventing the generation of unclaimed assets.
2. SEBI had received representations from stakeholders raising certain operational challenges in implementation of the aforesaid circular.
3. Accordingly, after considering these representations and the feedback in the public consultation, it has been decided to modify the norms for nomination in demat accounts and mutual fund folios to enhance the ease of investor on-boarding and ease the nomination process as under:

**Modified Norms on Nomination to be implemented by regulated entities for
Demat Accounts and Mutual Fund Folios:**

4. Default choice of nomination:

- 4.1. For all single accounts / folios opened on or after the date of implementation of this Circular, the investor shall mandatorily provide nomination, unless declaration form for 'opt-out' is submitted as per format mentioned in the Circular.
- 4.2. Nomination will be optional for jointly held demat account/ folios.
- 4.3. The consent of all the joint-holders shall be required for providing or changing nominee regardless of mode of operations.

5. Number of nominees:

- 5.1. Investors can provide up to 3 nominees.
- 5.2. In case of multiple nominees, upon the demise of the investor, the nominees may either continue in the same account / folio or open separate account / folio, for their respective holding.

6. Mode of providing Nomination:

- 6.1. The regulated entities shall make the nomination form available to the investors as per the format provided in **Annexure-A**.
- 6.2. The investors shall have an option to submit the nomination either online or offline.

For Online nomination -

Regulated entities offering online mode for nomination shall provide the facility as per the format in **Annexure-A**. Validation shall be through:

- Digital Signature Certificate; or
- Aadhaar-based e-sign or by using any other e-sign facility recognized under Information Technology Act, 2000; or
- Two factor authentication (2FA) in which one of the factors shall be a One-Time Password (OTP) sent to the registered mobile number and email address of the investor.

For physical / offline nomination-

The nomination form shall be signed under wet signature of the account / folio holder and signature of witness shall not be required. However, if the account / folio holder affixes his / her thumb impression (instead of wet signature), then the same shall be witnessed by two persons and details of such witnesses (name and address) shall be duly captured in the nomination form.

7. Information to be captured in nomination form:

- a. **Mandatory information:** Name of nominee and the nature of relationship of the nominee with the investor. Date of birth is mandatory, in case the nominee is a minor.
- b. **Optional information:** contact details of nominee like mobile number, e-mail address, percentage share of each nominee, KYC / identifier of the nominee and details of the guardian, if the nominee(s) is / are minor/s.

Where the percentage share of each nominee is not specified, the assets in the account / folio shall be apportioned among the nominees equally. Any odd lot after division shall be transferred to the first nominee mentioned in the form.

- c. The regulated entities shall facilitate the investors, who choose to key-in / fill-in all or any or none of optional information, to do so by providing all the fields in sub-paragraph 7 b. above, in the nomination form (both online and offline mode).

8. Opt-out of nomination:

Investors may opt-out of nomination by:

- a) Filling up the declaration form for 'opt-out' as per format provided in **Annexure-B**; or
- b) Choosing the 'opt-out' option online; the regulated entity shall display the declaration message in **Annexure-B**. The investor shall have to agree by choosing this option to proceed ahead, without nomination.

9. Changes or cancellation of nomination:

- 9.1. Investors can provide, changes or cancel nominations any number of times.

9.2. The forms in **Annexure A and B** would also be applicable for any subsequent change / cancellation of nomination and also for existing investors.

9.3. Regulated entities shall provide acknowledgement to the investor for each and every instance of nomination / subsequent change.

10. Obligations of the regulated entities:

10.1. In the periodic statement of account / holding statement furnished to the investor, the regulated entity shall print, either;

- a) name(s) of the nominee(s) or
- b) Yes / No - whether or not nomination has been made by the investor

as per the choice exercised by investor in the nomination form.

10.2. For existing and newly opened accounts / folios, without nomination (including opt-outs), the Depository Participants/ Mutual Fund RTAs shall:

- a. Send bi-annual messages to such investors by way of emails and SMS, nudging and guiding them to provide nomination
- b. Cause to display of pop-up message on the benefits of nomination, on the web / mobile application / platform, on the first log-in of the day in to the account.

Provided that the messages and the pop-ups shall not be sent/ displayed to the investors who have provided the nomination.

11. The foregoing clauses shall be applicable *mutatis-mutandis* for existing accounts and folios also.

12. Regulated entities shall implement / upgrade their systems to provide facilities to the investors as per this circular.

13. This circular shall come into effect from **September 01, 2026**.

14. Depositories are advised to take steps to make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of this circular.



15. This circular supersedes all the earlier circulars issued by SEBI with respect to nomination for demat accounts and mutual fund folios and such supersession shall be effective from the date of this circular. For ease of reference, such circulars are listed below:

- a. HO/42/36/12(4)2025-OIAE-IAD3 dated December 11, 2025
- b. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2025/110 dated July 30, 2025
- c. SEBI/HO/OIAE/OIAE_IAD-3/P/ON/2025/0027 dated February 28, 2025
- d. SEBI/HO/OIAE/OIAE_IAD-3/P/ON/2025 dated January 10, 2025
- e. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024
- f. SEBI/ HO/IMD/IMD-PoD-1/P/CIR/2024/29 dated April 30, 2024
- g. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/193 dated December 27, 2023
- h. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/181 dated November 17, 2023
- i. SEBI/ HO/IMD/IMD-IPOD1/P/CIR/2023/160 dated September 27, 2023
- j. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/158 dated September 26, 2023
- k. SEBI/ HO/IMD/IMD-IPOD1/P/CIR/2023/47 dated March 28, 2023
- l. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/42 dated March 27, 2023
- m. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023
- n. SEBI/ HO/IMD/IMD-IDOF1/P/CIR/2022/105 dated July 29, 2022
- o. SEBI/HO/IMD/IMD-IDOF3/P/CIR/2022/82 dated June 15, 2022
- p. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/23 dated February 24, 2022
- q. SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 dated July 23, 2021
- r. MFD/CIR/07/213/2002 dated July 02, 2002

16. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market. This circular is issued with the approval of the competent authority.

17. This Circular is available on SEBI website at www.sebi.gov.in under the categories "Legal → Circulars".

Yours faithfully,

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General Manager

Officer of Investor Assistance and Education

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Annexure-A

Format for providing Nomination for Demat Account and MF Folios

Mandatory Details

1. I / We wish to make nomination [as per details given below]

(You can nominate upto 3 persons)

	Details	1st Nominee	2nd Nominee	3rd Nominee
1	Name of the nominee*			
2	Relationship with the Applicant			
3	Date of Birth (to be provided in case the nominee is a minor)			

2. I want the following nomination details to be printed in the account / holding statements (tick one of the boxes below):

☐ Name of the Nominee(s)

☐ Whether nomination given: Yes / No (not name of the nominee)

3. **Optional details of nomination:**

	Details	1st Nominee	2nd Nominee	3rd Nominee
a)	% Share of nominee** (equal share if % is not specified)			
b)	Mobile of nominee*** (Please note that the DP / MF RTA will be able to reach out to your nominee if you provide the contact details)			
c)	Email ID of nominee*** (Please note that the DP / MF RTA will be able to reach out to your nominee if you provide the contact details)			
d)	Specify Personal identifier document • Aadhaar (last four digit), PAN, Driving Licence, Passport ***			

**Any odd lot after division shall be transferred to the first nominee mentioned in the form.

*** The aforesaid details shall be optionally provided for the Guardian, in case of nominee is a minor.

4. Signature:

Name(s) of holder(s)	Signature(s) of holder****
Sole / First Holder (Mr./Ms.)	
Second Holder (Mr./Ms.)	
Third Holder (Mr./Ms.)	

****If nomination is submitted:

- **Online:** validate through Digital Signature Certificate or Aadhaar-based e-sign or by using any other e-sign facility recognized under Information Technology Act, 2000 or two factor authentication (2FA) in which one of the factors shall be a One-Time Password (OTP) sent to the registered mobile number and email address.
- **Physical / offline:** wet signature (signature of witness shall not be required). However, if thumb impression (instead of wet signature) is affixed, then the same shall be witnessed by two persons and details of such witnesses (name and address) shall be duly provided in this form.

Note:

- Investors can provide, changes or cancel nominations any number of times.
- The signature of all the joint holders shall be obtained for providing / changing nomination regardless of mode of operations.
- This nomination shall supersede any prior nomination made by the investor(s), if any.
- Investors can change nomination any number of times.
- Investor have the right to receive acknowledgement of the nomination form for each instance of nomination / subsequent change.

Annexure-B**Declaration for Opting-out of Nomination**

I hereby confirm that I do not wish to appoint any nominee(s) to my demat account/ mutual fund folio at this point of time.

I understand that –

- (i) the nomination helps to quickly identify the person for transfer of securities and helps in faster and smoother transmission of my securities to my legal heir(s) after my demise.
- (ii) in the absence of a nomination, my legal heir(s) may require the submission of certain additional legal or court-issued documents which may delay the process of transmission of securities to my legal heir(s).
- (iii) if no claim is made on the account / folio for a prolonged period after my demise, the holdings may be treated as unclaimed assets and they may be transferred to Investor Education and protection Fund Authority (IEPF) in accordance with the applicable regulatory framework.

I confirm that I have understood the above implications and that my decision to opt out of nomination is voluntary.

Name and Signature of Holder

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