Circular No.: NSDL/POLICY/2022/020 February 04, 2022

Subject: Operational guidelines w.r.t. nomination for demat accounts.

Attention of the Participants is invited to NSDL Circular No. NSDL/POLICY/2021/0078 dated July 26, 2021 regarding the SEBI Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 dated July 23, 2021 on Nomination for Eligible Trading and Demat Accounts.

In terms of Point No. 2 of the above mentioned SEBI circular, Investors opening new demat account(s) on or after October 01, 2021, shall have the choice of providing nomination or opting out nomination in the prescribed format. Further, in terms of Point No.7 of the above mentioned SEBI circular, all existing demat account holders shall provide choice of nomination as per the option given in point no. 2, on or before March 31, 2022, failing which the trading accounts shall be frozen for trading and demat account shall be frozen for debits.

In this context, Participants were intimated vide Circular No. NSDL/POLICY/2022/008 dated January 13, 2022 regarding Changes in File Formats with respect to DPM Version Release 7.5, wherein a new value of no nomination is introduced i.e. ‘O’ - Opt out of Nomination.

In this regard, all Participants are hereby requested to take note of the following operational guidelines for necessary implementation of the aforesaid SEBI circular:

1. The field 'No Nomination' earlier had values 'Y' denoting that nomination is not opted and the value 'N' denoting that nomination is opted. In this field, a new value 'O' is added which denotes Opt out of Nomination.
2. After the version release, all new accounts which are being opened can have only two values in the field 'No Nomination' i.e. 'N' denoting that nomination is opted or 'O' denoting that the client has opted out of nomination.
3. In addition, in respect of all new accounts which are opened on or after October 1, 2021 wherever the value 'Y' is updated denoting that nomination is not opted, it should be replaced with value 'O' denoting Opt out of nomination, since it is mandatory for all new accounts opened on or after October 1, 2021 to either nominate or opt out of nomination. For this purpose, the Participants will need to update the value of no nomination value through Local DPM modification.
4. In respect of all existing eligible demat accounts opened prior to October 1, 2021 where the client has not opted for nomination i.e. value of field 'No Nomination' is 'Y', the Participants are required to approach the clients for nomination and if the nomination is opted, the nominee

details should be updated and in case the client has specifically opted out of nomination by submitting the required declaration , the Participant must update the value of the field from ‘Y’ denoting nomination is not opted to 'O' denoting Opt out of Nomination. Participants may advise their clients that in terms of SEBI Circular, in case the eligible client neither provides nomination details nor does the client opt out of nomination on or before March 31, 2022, the demat account shall be frozen for debits. The list of such accounts which are pending is available on i-assist.

5. Illustrative example is enclosed as Annexure A.

Participants are requested to take note of the above and inform their eligible clients for updation of nomination before the SEBI prescribed cut-off date.

For and on behalf of
National Securities Depository Limited

Gayak Jalan
Manager

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
Networth Certificate and Audited Financial Statements for the FY 2020-21	February 15, 2022	By hard copy to Inspection Department	1. Circular No. NSDL/PI/98/414 dated September 1, 1998 2. Circular No. NSDL/POLICY/2021/0104 dated October 08,2021 3. Circular No. NSDL/POLICY/2022/013 dated January 21, 2022

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Annexure A

Illustrative example where **demat account is opened on or after October 1, 2021** is given as under:

S. No.	Client Name	Current Nomination Value (Before version 7.5)	Proposed Value (After version 7.5)	Remarks
1.	Client A (Account opened on or **after** October 1, 2021)	N- Nominee details available	N – Nominee details available	No change
2.	Client B (Account opened on or **after** October 1, 2021)	Y – No Nomination Opted	O - Opt out of nomination (new value)	Allowed (All demat accounts opened on or after October 1, 2021, 'Y' needs to be migrated to 'O'.

Illustrative example where **demat account is opened before October 1, 2021** is given as under:

S. No.	Client Name	Current Nomination Value (Before version 7.5)	Proposed Value (After version 7.5)	Remarks
1.	Client C (Account opened **before** October 1, 2021)	N- Nominee details available	N – Nominee details available	No change
2.	Client D (Account opened **before** October 1, 2021)	Y – No Nomination Opted	N – Nominee details available	Allowed (All demat accounts having value 'Y' need to be changed to 'N – Nominee details available after taking request in the SEBI prescribed format.
3.	Client E (Account opened **before** October 1, 2021)	Y – No Nomination Opted	O - Opt out of nomination (new value)	Allowed (All demat accounts having value 'Y' need to be changed to 'O - Opt out of nomination after taking request in the SEBI prescribed format.