

Circular No.: NSDL/POLICY/2022/025

February 28, 2022

Subject: Amendment to Bye Laws and Business Rules.

Participants are hereby informed that the following amendments have been made in the Bye Laws and Business Rules of NSDL:

- 1) Insertion of new Bye-law 9.1.7 and Insertion of New Business Rule 4.5.4 enclosed at **Annexure A**
- 2) Amendment to **FORM 9** of Business Rules [Account Opening Form - Individual] changes are highlighted in track change mode.

The required changes to the DPM system to implement the same are under development. Accordingly, the amendments to Bye Laws and Business Rules will take effect on a date to be informed separately.

Participants are requested to take note of the above.

For and on behalf of

National Securities Depository Limited

Gayak Jalan

Manager

Enclosed: Two

FORTHCOMING COMPLIANCE					
Particulars			Deadline	Manner of sending	Reference
Investor (Monthly)	Grievance Report		By 10th of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015

Digitally signed by

Name : Gayak Jalan
Date : 28-02-2022 20:17:46
Reason : Authentication

Annexure A

Insertion of new Bye-law 9.1.7

9.1. ACCOUNT OPENING

9.1.1. The Depository shall keep accounts separately in respect of each Participant. The Depository shall keep a record of each Client's account which shall be updated on a daily basis.

9.1.2. The Participant shall maintain separate accounts in respect of each Client and its own account. The Participant shall intimate the balances held in its own account and Client account to Depository on a daily basis.

9.1.3. Any prospective Client who wishes to avail the services of the Depository will have to open an account with the Depository through a Participant.

9.1.4. The Client will have to make an application for this purpose to the Participant in the form and manner specified under the Business Rules.

9.1.5. Once the application has been accepted by the Participant, the applicant will be issued a Client account number.

9.1.6 Upon such application by the Client and its acceptance by the Participant by opening the account as per Bye Law 9.1.3 to 9.1.5, the Participant and the Client shall be deemed to have entered into an agreement under the provisions of the Depositories Act, SEBI (Depositories and Participants) Regulations, 1996, these Byelaws and the Business Rules.

9.1.7 The joint holders in client account may authorise jointly, or any one of the holders or survivor(s) to operate the Client account in the form and manner as specified in the Business Rules.

New Rules to be inserted in Business Rules:

4.5.4 Operation of joint account in case of individual client

4.5.4.1 In the case of a joint account, the Participant shall ensure that all the instructions submitted are duly signed by all the account holders.

Provided however that in respect of the instructions specified at Rule 4.5.4.2, all the account holders jointly may opt for any one of the following modes of operation:

- i) Jointly;
- ii) Anyone of the holders or survivor (s).

4.5.4.2 The Participants may execute following instructions on behalf of its Clients as per mode of operation specified at Rule 4.5.4.1:

i) Transfer of securities including Inter-Depository Transfer.

ii) Pledge/ Hypothecation / margin pledge / margin re-pledge (Creation, Closure and Invocation and confirmation thereof, as applicable).

iii) Freeze/ unfreeze account and/ or the ISIN and / or specific number of securities.

However, for all other transactions at joint account level, the mode of operation shall be as specified at Rule 4.5.4.1 (i)

4.5.4.3 Where the Client account holders have opted for operation by any one holder or survivor, the instructions above should be duly signed by any one of the holders/survivors of the joint account.

4.5.4.4 With regard to all transactions undertaken in the Client account as per Rule 4.5.4.2, signature of one of the Client account holders as per the mandate of operation given by the joint account holders shall discharge the Participant in full vis-a-vis all account holders.

4.5.4.5 Each Client account holder in the demat account is jointly and severally liable towards the Participant for all the commitments entered into by himself/ herself or by any other Client account holder or authorised representative (within the limits of the power).

4.5.4.6 Any account holder may opt out from the facility as mentioned at proviso to Rule 4.5.4.1 by giving signed written request to the Participant and upon receipt of such a request by Participant, the Participant shall change the mode of operation to jointly.

4.5.4.7 In case of a joint account, all communications shall be sent to the first holder and shall be deemed to have been duly sent to all Client account holders. Participant shall give an option to all joint account holders that communication will be sent to all joint account holders in electronic mode, if desired by account holders.

4.5.4.8 This arrangement of mode of operation shall not expire on the death of one of the Client holders, if the surviving account holder(s) chose the option to continue with the same account by deletion of name of the deceased account holder(s) as per the procedure specified at 12.6.1. The surviving account holder(s) have to inform Participant about the death of account holder(s) with required documents within one year of the date of demise. If the surviving account holder(s) fails to report the death of deceased joint holder within one year of the date of demise, a new demat

account shall be opened by the surviving account holder(s) to execute transmission as per the procedure specified at Rule 12.1.

4.5.4.9 In the event of the death of any of the joint holders, the liability of the Participant shall be discharged provided the Participant:

- i) Exercises due care and caution in establishing the identity of the survivor(s) and the fact of death of deceased joint account holder, through appropriate documentary evidence;
- ii) Reasonably satisfies itself that there is no order from any competent court brought to its notice restraining the transmission of the deceased's securities; and
- iii) Makes it clear to the survivor(s) that he/she would be receiving the securities of the deceased as a trustee of the legal heirs of the deceased demat account holder.

FORM 9
ACCOUNT OPENING FORM
(FOR INDIVIDUALS)

Participant Name (DP ID ____) Address (Pre-printed)	Client –ID (To be filled by Participant)								
	<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								

I/We request you to open a depository account in my/our name as per the following details: *(Please fill all the details in CAPITAL LETTERS only)*

Date D D M M Y Y Y Y

A Details of Account holder(s):							
Account holder(s)	Sole/ First Holder		Second Holder		Third Holder		
Name							
PAN							
Occupation <i>(please tick any one and give brief details)</i>	☐ Private Sector	☐ Agriculturist	☐ Private Sector	☐ Agriculturist	☐ Private Sector	☐ Agriculturist	
	☐ Public Sector	☐ Retired	☐ Public Sector	☐ Retired	☐ Public Sector	☐ Retired	
	☐ Government Service	☐ Housewife	☐ Government Service	☐ Housewife	☐ Government Service	☐ Housewife	
	☐ Business	☐ Student	☐ Business	☐ Student	☐ Business	☐ Student	
	☐ Professional	☐ Others (Please specify; _____)	☐ Professional	☐ Others (Please specify; _____)	☐ Professional	☐ Others (Please specify; _____)	
Brief details:							

B	For Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., although the account is opened in the name of the natural persons, the name & PAN of the Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., should be mentioned below:
a) Name	
b) PAN	

C	Type of account									
	<table style="width: 100%;"> <tr> <td>☐ Ordinary Resident</td> <td>☐ NRI-Repatriable</td> <td>☐ NRI-Non Repatriable</td> </tr> <tr> <td>☐ Qualified Foreign Investor</td> <td>☐ Foreign National</td> <td></td> </tr> <tr> <td>☐ Margin</td> <td>☐ Others (Please specify) _____</td> <td>☐ Promoter</td> </tr> </table>	☐ Ordinary Resident	☐ NRI-Repatriable	☐ NRI-Non Repatriable	☐ Qualified Foreign Investor	☐ Foreign National		☐ Margin	☐ Others (Please specify) _____	☐ Promoter
☐ Ordinary Resident	☐ NRI-Repatriable	☐ NRI-Non Repatriable								
☐ Qualified Foreign Investor	☐ Foreign National									
☐ Margin	☐ Others (Please specify) _____	☐ Promoter								

D	Gross Annual Income Details
	Income Range per annum (please tick any one)
	☐ Below ` 1 lac <input type="checkbox"/> ` 1- 5 lac ☐ ` 5- 10 lac
	☐ ` 10- 25 lac <input type="checkbox"/> More than ` 25 lac

E	In case of NRIs/ Foreign Nationals								
	RBI Approval Reference Number								
	RBI Approval date								
	<table style="width: 100%;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								

F	Bank details
1	Bank account type ☐ Savings Account ☐ Current Account ☐ Others (Please specify) _____
2	Bank Account Number
3	Bank Name

	4	Branch Address										
			City/town/village				PIN Code					
			State				Country					
	5	MICR Code										
	6	IFSC										

G Please tick, if applicable: ☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)

H **Standing Instructions**

1	I/We authorise you to receive credits automatically into my/our account.	☐ Yes ☐ No																
2	Account to be operated through Power of Attorney (PoA)	☐ Yes ☐ No																
3	SMS Alert facility: [Mandatory if you are giving Power of Attorney (PoA). Ensure that the mobile number is provided in the KYC Application Form]																	
	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Holder</th> <th>Yes</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Sole/First Holder</td> <td>☐</td> <td>☐</td> </tr> <tr> <td>2</td> <td>Second Holder</td> <td>☐</td> <td>☐</td> </tr> <tr> <td>3</td> <td>Third Holder</td> <td>☐</td> <td>☐</td> </tr> </tbody> </table>	Sr. No.	Holder	Yes	No	1	Sole/First Holder	☐	☐	2	Second Holder	☐	☐	3	Third Holder	☐	☐	
Sr. No.	Holder	Yes	No															
1	Sole/First Holder	☐	☐															
2	Second Holder	☐	☐															
3	Third Holder	☐	☐															
4	Mode of receiving Statement of Account [Tick any one]	☐ Physical Form ☐ Electronic Form [Read Note 3 and ensure that email ID is provided in KYC Application Form].																

I **Guardian Details** (where sole holder is a minor):
 [For account of a minor, two KYC Application Forms must be filled i.e. one for the guardian and another for the minor (to be signed by guardian)]

Guardian Name										
PAN										
Relationship of guardian with minor										

J **Nomination Option**

☐ I/We wish to make a nomination. [Details are provided at FORM 10]	☐ I/We do not wish to make a nomination.
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K **Mode of Operations for Joint Accounts**

☐ Jointly	☐ Anyone of the holder or survivor(s)
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If Mode of Operation for Joint Account is chosen as anyone of the holder or survivor(s), only specified operations such as transfer of securities including Inter-Depository Transfer, pledge / hypothecation / margin pledge / margin re-pledge (creation, closure and invocation and confirmation thereof as applicable) of securities and freeze/unfreeze of account and / or securities and / or specific number of securities will be permitted.

Declaration

The rules and regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by me/us and I/we have understood the same and I/we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. I/we hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/ we are aware that I/we may be held liable for it. In case non-resident account, I/we also declare that I/we have complied and will continue to comply with FEMA regulations. I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

Name(s) of holder(s)		Signature(s) of holder
Sole/ First Holder/ Guardian (in case sole holder is minor) (Mr./Ms.)		X
Second Holder (Mr./Ms.)		X
Third Holder (Mr./Ms.)		X

Notes :

- All communication shall be sent at the address of the Sole/First holder only.
- Thumb impressions and signatures other than English or Hindi or any of the other language not contained in the 8th Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate.
- For receiving Statement of Account in electronic form:
 - Client must ensure the confidentiality of the password of the email account.
 - Client must promptly inform the Participant if the email address has changed.
 - Client may opt to terminate this facility by giving 10 days prior notice. Similarly, Participant may also terminate this facility by giving 10 days prior notice.
- In case of joint account, on death of any of the joint account holders, the surviving account holder(s) has to inform Participant about the death of account holder(s) with required documents within one year of the date of demise.
- In case if 'first holder' is selected, the communication will be sent as per the preference mentioned at Sr. No. 4. In case 'All joint account holders' is opted, communication to first holder will be sent as per the preference mentioned at Sr. No. 4 and communication to other holders will be in electronic mode. The default option will be communication to 'first holder', if no option selected.
- ~~5-6.~~ Strike off whichever is not applicable.

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Acknowledgement

Participant Name, Address & DP ID

Received the application from Mr/Ms_____ as the sole/first holder along with _____ and _____ as the second and third holders respectively for opening of a depository account. Please quote the DP ID & Client ID allotted to you in all your future correspondence.

Date:

D	D	M	M	Y	Y	Y	Y
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Participant Stamp & Signature

