

Circular No.: NSDL/POLICY/2022/026

February 28, 2022

Subject: SEBI circular on Corrigendum to Master Circular for Depositories dated February 05, 2021 on Opening of demat account in case of HUF.

Attention of Participants is invited to SEBI Circular No. SEBI/HO/MRD2/DDAP/CIR/P/2022/20 dated February 17, 2022 regarding Corrigendum to Master Circular for Depositories dated February 05, 2021 on opening of demat account in case of HUF. In abovementioned circular, SEBI stated as below:

1. In partial modification, Subsection 1.2(a) of Section 1.4 of the Master Circular for Depositories dated February 05, 2021 shall be replaced with the following:

“In the event of death of Karta of HUF, the name of the deceased Karta in the Beneficial Owner (BO) account shall be replaced by the new Karta appointed by the member of the HUF who in such a case shall be senior most member of the family”

2. Further, footnote 31 of Section 1.4 of the Master Circular on “Opening of demat account in case of HUF” shall be replaced with the following:

“Reference: SEBI letter No. SEBI/HO/MRD/DP/OW/25739/1 and 25740/1 dated September 14, 2016 and SEBI letter No. MRD/DSA1/OW/4946/2018 and 4947/2018 dated February 14, 2018 ”

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

For and on behalf of

National Securities Depository Limited

**Gayak Jalan
Manager**

Enclosed: One

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

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CIRCULAR

SEBI/HO/MRD2/DDAP/CIR/P/2022/20

February 17, 2022

To,

All Depositories

Dear Sir / Madam,

Subject: Corrigendum to Master Circular for Depositories dated February 05, 2021 on Opening of demat account in case of HUF

1. Please refer to SEBI Master Circular for Depositories No. SEBI/HO/MRD2/DDAP/CIR/P/2021/18 dated February 05, 2021.

2. In partial modification, Subsection 1.2(a) of Section 1.4 of the Master Circular for Depositories dated February 05, 2021 shall be replaced with the following:

“ In the event of death of Karta of HUF, the name of the deceased Karta in the Beneficial Owner (BO) account shall be replaced by the new Karta appointed by the member of the HUF who in such a case shall be senior most member of the family ”

3. Further, footnote 31 of Section 1.4 of the Master Circular on “Opening of demat account in case of HUF” shall be replaced with:

“Reference: SEBI letter No. SEBI/HO/MRD/DP/OW/25739/1 and 25740/1 dated September 14, 2016 and SEBI letter No. MRD/DSA1/OW/4946/2018 and 4947/2018 dated February 14, 2018 ”

4. It may be noted that the other provisions of the Master Circular for Depositories SEBI/HO/MRD2/DDAP/CIR/P/2021/18 dated February 05, 2021 shall remain unchanged.

5. The Depositories are advised to:

- i. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision, as may be applicable/necessary;
- ii. to carry out system changes, if any, to implement the above;
- iii. disseminate the provisions of this circular on their website;



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Securities and Exchange Board of India

- iv. communicate to SEBI, the status of implementation of the provisions of this circular in their Monthly Development Report.
6. 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 Section 19 of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market. This circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,

Ansuman Dev Pradhan
Deputy General Manager
Market Regulation Department
Email: ansumanp@sebi.gov.in