Circular No.: NSDL/POLICY/2023/0044 March 27, 2023

Subject: Clarification/Guidance w.r.t Nomination for Eligible Demat Accounts.

Attention of the Participants is invited to NSDL Circular Nos. NSDL/POLICY/2009/0002 dated January 3, 2009 & NSDL/POLICY/2009/0004 dated January 09, 2009 on Amendments to Business Rules & Nomination details and usage of existing Account Opening Forms (AOF) wherein Participants were advised to obtain a declaration of nomination details by clients i.e. ***"I/We do not wish to make a nomination"*** at the time of account opening form. Further, Participants were advised to send a communication to their existing clients who have not yet opted for nomination, to submit a declaration specifically stating the following:

- I/We the undersigned wish to make a nomination in respect of my BO account and the nominee details are as follows ______:
- I/We the undersigned do not wish to make a nomination in respect of my BO account.

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 dated July 23, 2021 wherein it has been *inter-alia* clarified that the *"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;*

1. *The format for nomination form is given in Annexure –A to this circular*
2. *Opt out of nomination through 'Declaration Form', as provided in Annexure –B to this circular"*

In this context, SEBI has issued Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/23 dated February 24, 2022 wherein it has been clarified that the *"Requirement mentioned at para 2 read with para 7 w.r.t. re-submission of nomination details shall be optional for the existing investors who have already provided the nomination details prior to issuance of the aforesaid circular".*

In this connection, SEBI has further clarified that the *"Requirement mentioned at para 2 read with para 7 w.r.t. re-submission of nomination details shall be optional for the existing investors who have already provided the nomination details prior to issuance of the aforesaid circular". Here, the term 'nomination details' pertains to nomination/opt-out of nomination"*.

In view of the above, it is clarified that the re-submission of nomination details shall be optional for the existing investors, who have already provided the nominee details or used "***I/We do not wish to make***

a nomination" option after issuance of NSDL Circular No. NSDL/POLICY/2009/0002 dated January 3, 2009.

Further, it has come to the notice of SEBI that the market participants are updating the nomination field on their own and marking the same as opting out of nomination in case the investor has not updated/submitted the choice of nomination. It may be noted that updating the 'choice of nomination' without the explicit consent of the investor is against the intention of the circulars and the same **has been viewed seriously**. Also, this requirement emanates from regulatory requirement and hence **no fee** may be charged for the same.

Participants are hereby advised that 'choice of nomination' is required to be updated either by the investors or by the Participant by obtaining their explicit consent. In any other case, the field of 'choice of nomination' shall not be updated by the Participants on their own.

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

For and on behalf of

National Securities Depository Limited

Digitally signed by AROCKIARAJ
Date: 2023.03.27 14:21:17 +05'30'

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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