

Circular No.: NSDL/CIR/II/07/2023

February 17, 2023

Subject: Amendments to Business Rules of NSDL w.r.t Nomination.

All Issuers/R&T Agents are hereby informed that the following amendments have been made in the Business Rules of NSDL:

1. Amendment to Rule 12.6.3 regarding Transmission of Securities in Case of Nomination;
2. Amendments to Form 9 i.e Account Opening Form for Individual; and
3. Deletion of Form 10. i.e Nomination form.

The aforesaid amended Business Rule is enclosed in **Annexure A** (in track change mode) along with amended **Form 9** i.e. Account Opening Form for Individuals in track change and without track change.

Issuers / R&T Agents are requested to take note of the aforesaid.

For and on behalf of
National Securities Depository Limited

Rakesh Mehta
Vice President

Encl.: a/a

12.6.3. TRANSMISSION OF SECURITIES IN CASE OF NOMINATION

12.6.3.1. The Client(s) may make a nomination of his/their account in favour of any person(s), up to three persons- by filing with the relevant Participant the form ~~laid out in FORM 10 of these Business Rules as prescribed by SEBI~~. In the case of joint accounts, all the Clients shall be required to affix their signatures to the said form. Such nomination shall be conclusive evidence of the Client(s) disposition in respect of all the securities in the account for which nomination has been made.

Provided that Participants may allow their existing clients (i.e demat accounts opened prior to October 1, 2021) to submit their nomination or opt out of nomination by way of two factor authentication (2FA) login on the internet platform of Participants providing such services-

12.6.3.2. In case, the Client(s) appoints more than one person, maximum up to three persons, as nominees, the Client must specify the percentage of share for each nominee which must total up to hundred percent. In case the percentage of share is not provided, allocation of securities amongst the nominees shall be considered as equal.

12.6.3.3. A nomination once made shall not be considered to have been ~~varied, substituted or canceled~~ changed or withdrawn, unless the Client(s) files another form ~~as prescribed by SEBI laid out in Form 10~~ with the Participant, expressly signifying the interest to ~~vary, substitute or cancel~~ change or withdraw all nominations made earlier. Unless a ~~fresh variation, substitution or cancellation~~ change or withdrawal is registered with the Participant, the Depository shall consider the nomination last validly recorded in its books as being conclusive evidence of the Client(s)' disposition in respect of the securities.

12.6.3.4.- A nomination, change or withdrawal, substitution or opt out of a nomination shall be valid only if :-

- a) it is submitted to the Participant by the rightful Client(s) or under his/their due authority.
- b) it is in prescribed form ~~(Form 10)~~
- c) it is duly signed by Client(s)
- d) it is properly signed
- e) signature of the Client(s) tally with the specimen signature records

12.6.3.5. If the form is valid in all respects and accepted by the Participant, the Participant shall record the nomination by entering the same in the DPM (DP) and confirm the same to the Client(s).

12.6.3.6. In the event of a ~~substitution/ cancellation~~ change or /withdrawal of a nomination, a fresh registration shall be updated in the DPM (DP) by the Participant and the Participant shall confirm the same to the Client(s).

12.6.3.7 Upon the death of the sole Client or the death of all the Clients, as the case may be, the nominee(s) shall submit following documents to the Participant to transmit the securities covered by the nomination to the account of the nominee(s), held with any depository:

- (i) the transmission request form in the format specified in Form 30 duly signed by the nominee(s);
- (ii) Original death certificate (or copy of death certificate attested by the nominee(s) subject to verification with the original or copy of the death certificate duly attested by a notary public or by a gazetted officer;

- (iii) Self-attested copy of the Permanent Account Number (PAN) card of the nominee issued by the Income Tax Department;
- (iv) copy of Client Master Report of the account of the nominee(s) in case the account of the nominee(s) is not with the Participant.
- (v) in case the nominee is a minor, Copy of Birth Certificate
- (vi) In case of nominee being a minor / or unsound person, KYC of the Guardian of minor / unsound person

If the Nominee(s) does not have an account with the Participant, the Nominee(s) shall be required to open an account with any Participant.

12.6.3.8. In case of multiple nominees in the account, the Participant shall divide the securities at an ISIN level in the proportion of share indicated at the time of nomination. In case the number of securities are not exactly divisible in the specified proportion in respect of particular ISIN, the Participant shall divide the securities at the ISIN level to the extent, the securities are divisible and remaining indivisible securities, if any, shall be transmitted to the nominee whose name is recorded first in the form as prescribed by ~~laid out in FORM 10 of these Business Rules~~ SEBI to receive such indivisible securities.

12.6.3.9. The provisions relating to Form 30 shall apply *mutatis mutandis* to the process of transmission of securities to the Nominee(s).

12.6.3.10 Before executing any request made under any of the forms in respect of nomination, the Participant shall ensure the completeness of the form and validity of the signature of the Client(s) and satisfy itself about identity of the nominee(s) mentioned in the documents.

12.6.3.11. The details of various nominations made by the Client(s) shall form an integral part of the records of the Participant, Depository and the Issuer or its Registrar and Transfer Agent under Chapter 16 of these Business Rules and shall be reconciled in accordance with Chapter 15 of these Business Rules.

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%; border-collapse: collapse;"> <tr> <td style="width:12.5%; height: 20px;"></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: <i>(Please fill all the details in CAPITAL LETTERS only)</i>	Date	D	D	M	M	Y	Y	Y	Y
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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>	<input type="checkbox"/> Private Sector	<input type="checkbox"/> Agriculturist	<input type="checkbox"/> Private Sector	<input type="checkbox"/> Agriculturist	<input type="checkbox"/> Private Sector	<input type="checkbox"/> Agriculturist
	<input type="checkbox"/> Public Sector	<input type="checkbox"/> Retired	<input type="checkbox"/> Public Sector	<input type="checkbox"/> Retired	<input type="checkbox"/> Public Sector	<input type="checkbox"/> Retired
	<input type="checkbox"/> Government Service	<input type="checkbox"/> Housewife	<input type="checkbox"/> Government Service	<input type="checkbox"/> Housewife	<input type="checkbox"/> Government Service	<input type="checkbox"/> Housewife
	<input type="checkbox"/> Business	<input type="checkbox"/> Student	<input type="checkbox"/> Business	<input type="checkbox"/> Student	<input type="checkbox"/> Business	<input type="checkbox"/> Student
	<input type="checkbox"/> Professional	<input type="checkbox"/> Others (Please specify; _____)	<input type="checkbox"/> Professional	<input type="checkbox"/> Others (Please specify; _____)	<input type="checkbox"/> Professional	<input type="checkbox"/> 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		
<input type="checkbox"/> Ordinary Resident	<input type="checkbox"/> NRI-Repatriable	<input type="checkbox"/> NRI-Non Repatriable
<input type="checkbox"/> Qualified Foreign Investor	<input type="checkbox"/> Foreign National	<input type="checkbox"/> Promoter
<input type="checkbox"/> Margin	<input type="checkbox"/> Others (Please specify) _____	

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

E In case of NRIs/ Foreign Nationals										
RBI Approval Reference Number										
RBI Approval date					D	D	M	M	Y	Y

F Bank details	
1	Bank account type <input type="checkbox"/> Savings Account <input type="checkbox"/> Current Account <input type="checkbox"/> 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.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2	Account to be operated through Power of Attorney (PoA)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3	Account to be operated through Demat Debit and Pledge Instruction (DDPI)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4	SMS Alert facility: [Mandatory if you are giving Power of Attorney (PoA/DDPI). Ensure that the mobile number is provided in the KYC Application Form]		
	Sr. No.	Holder	Yes
	1	Sole/First Holder	<input type="checkbox"/>
	2	Second Holder	<input type="checkbox"/>
	3	Third Holder	<input type="checkbox"/>
5	Mode of receiving Statement of Account [Tick any one]	<input type="checkbox"/> Physical Form	
		<input type="checkbox"/> Electronic Form [Read Note 3 and ensure that email ID is provided in KYC Application Form].	
6	For Joint accounts, communication to be sent to (See Note 5)	<input type="checkbox"/> First holder <input type="checkbox"/> All joint account holders	

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

<input type="checkbox"/> I/We wish to make a nomination. [Details are provided in at FORM 10 Nomination Form Prescribed by SEBI]	<input type="checkbox"/> I/We do not wish to <u>opt out of</u> make a nomination. [Declaration Form opting out of nomination as prescribed by SEBI]

K	Mode of Operations for Joint Accounts	
	Jointly	<input type="checkbox"/> Anyone of the holder or survivor(s)
	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 :

1. All communication shall be sent at the address of the Sole/First holder only.
2. Thumb impressions must be attested by witness or a Magistrate or a Notary Public or a Special Executive Magistrate
3. 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.
- 2-4. The nomination and Declaration form may be signed using e-Sign facility or wet signature and in these cases, witness will not be required.
- 3-5. For receiving Statement of Account in electronic form:
 - I. Client must ensure the confidentiality of the password of the email account.
 - II. Client must promptly inform the Participant if the email address has changed.
 - III. 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.
- 4-6. 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.
- 5-7. 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.
- 6-8. 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 alongwith _____ 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

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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>	<input type="checkbox"/> Private Sector	<input type="checkbox"/> Agriculturist	<input type="checkbox"/> Private Sector	<input type="checkbox"/> Agriculturist	<input type="checkbox"/> Private Sector	<input type="checkbox"/> Agriculturist
	<input type="checkbox"/> Public Sector	<input type="checkbox"/> Retired	<input type="checkbox"/> Public Sector	<input type="checkbox"/> Retired	<input type="checkbox"/> Public Sector	<input type="checkbox"/> Retired
	<input type="checkbox"/> Government Service	<input type="checkbox"/> Housewife	<input type="checkbox"/> Government Service	<input type="checkbox"/> Housewife	<input type="checkbox"/> Government Service	<input type="checkbox"/> Housewife
	<input type="checkbox"/> Business	<input type="checkbox"/> Student	<input type="checkbox"/> Business	<input type="checkbox"/> Student	<input type="checkbox"/> Business	<input type="checkbox"/> Student
	<input type="checkbox"/> Professional	<input type="checkbox"/> Others (Please specify; _____)	<input type="checkbox"/> Professional	<input type="checkbox"/> Others (Please specify; _____)	<input type="checkbox"/> Professional	<input type="checkbox"/> 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:						
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<input type="checkbox"/> Margin	<input type="checkbox"/> Others (Please specify) _____					

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

E In case of NRIs/ Foreign Nationals						
RBI Approval Reference Number						
RBI Approval date	D	D	M	M	Y	Y

F Bank details						
1	Bank account type	<input type="checkbox"/> Savings Account	<input type="checkbox"/> Current Account	<input type="checkbox"/> 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.	<input type="checkbox"/> Yes <input type="checkbox"/> No		
2	Account to be operated through Power of Attorney (PoA)	<input type="checkbox"/> Yes <input type="checkbox"/> No		
3	Account to be operated through Demat Debit and Pledge Instruction (DDPI)	<input type="checkbox"/> Yes <input type="checkbox"/> No		
4	SMS Alert facility: [Mandatory if you are giving Power of Attorney (PoA/DDPI). Ensure that the mobile number is provided in the KYC Application Form]			
	Sr. No.	Holder	Yes	No
	1	Sole/First Holder	<input type="checkbox"/>	<input type="checkbox"/>
	2	Second Holder	<input type="checkbox"/>	<input type="checkbox"/>
	3	Third Holder	<input type="checkbox"/>	<input type="checkbox"/>
5	Mode of receiving Statement of Account [Tick any one]	<input type="checkbox"/> Physical Form <input type="checkbox"/> Electronic Form [Read Note 3 and ensure that email ID is provided in KYC Application Form].		
6	For Joint accounts, communication to be sent to (See Note 5)	<input type="checkbox"/> First holder <input type="checkbox"/> All joint account holders		

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

<input type="checkbox"/> I/We wish to make a nomination. [Details are provided in Nomination Form Prescribed by SEBI]	<input type="checkbox"/> I/We wish to opt out of a nomination. [Declaration Form opting out of nomination as prescribed by SEBI]
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K	Mode of Operations for Joint Accounts	
	Jointly	<input type="checkbox"/> Anyone of the holder or survivor(s)
	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 :

1. All communication shall be sent at the address of the Sole/First holder only.
2. Thumb impressions must be attested by witness or a Magistrate or a Notary Public or a Special Executive Magistrate
3. 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.
4. The nomination and Declaration form may be signed using e-Sign facility or wet signature and in these cases, witness will not be required.
5. For receiving Statement of Account in electronic form:
 - I. Client must ensure the confidentiality of the password of the email account.
 - II. Client must promptly inform the Participant if the email address has changed.
 - III. 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.
6. 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.
7. 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.
8. Strike off whichever is not applicable.

=====

Acknowledgement

Participant Name, Address & DP ID

Received the application from Mr/Ms _____ as the sole/first holder alongwith _____ 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