Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/POLCY/2024/317 **June 11, 2024**

UPDATION OF CHOICE OF NOMINATION

DPs are advised to refer to the SEBI Circular no. **SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, [refer Annexure].** with respect to the below mentioned subjects:

a) **Ease of Doing Investments- Non-submission of 'Choice of Nomination'**

(i) **Doing away with freezing of Demat Accounts and Mutual Fund Folios for existing investors;**

(ii) To remove freeze on payment of corporate benefits and service of physical folios;

b) **Only 3 fields to be provided mandatorily for updating Nomination Details**

As mentioned in the aforesaid SEBI circular, Depository Participants (DPs) are required to take note of the below mentioned points and ensure compliance:

1. Non-submission of 'choice of nomination' shall not result in freezing of Demat Accounts.

2. All new investors shall continue to be required to mandatorily provide the 'Choice of Nomination' for demat accounts (except for jointly held Demat Accounts).

3. All existing investors are encouraged, in their own interest, to provide 'choice of nomination' for ensuring smooth transmission of securities held by them as well as to prevent accumulation of unclaimed assets in securities market. The formats for providing Nomination and Opting-out of Nomination both in case of Demat Account refer **Annexure-A and Annexure-B** of the said SEBI circular.

4. DPs are required to encourage the demat account holders to update 'choice of nomination' by sending a communication on **fortnightly basis** by way of emails and SMS to all such demat account holders who have not provided the 'choice of nomination'. The communication shall provide the guidance for demat account holders to provide 'choice of nomination'.

5. DPs shall encourage the existing investors to provide the 'choice of nomination', a pop-up shall be provided on web/mobile application/platform to the investors by DPs, while logging into (including other platforms providing online execution services) their Demat account. This pop-up may be shown only to those clients whose demat account(s) do not have 'choice of nomination'.

6. DPs shall note the provisions of the SEBI circular, except clause 7 shall be made effective immediately in supersession of existing provisions. Further, clause 7 of the SEBI circular shall be made applicable from **October 01, 2024.**

DPs are advised to take note of the above SEBI Circular (refer **Annexure**) and ensure compliance.

Queries regarding this communiqué may be addressed to: CDSL – Helpdesk Emails may be sent to: dprtasupport@cdslindia.com **and connect through our IVR Number 022-62343333** .

For and on behalf of
Central Depository Services (India) Limited

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Nilesh Shah
Asst. Vice President - Operations