

CIRCULAR**SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/42****March 27, 2023**

To
All Recognized Stock Exchanges
All Recognized Depositories
Stock Brokers (Trading Members) through Recognized Stock Exchanges
Depository Participants through Depositories

Dear Sir / Madam,

Subject: Nomination for Eligible Trading and Demat Accounts – Extension of timelines for existing account holders

1. SEBI, vide circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 dated July 23, 2021 had mandated providing choice of nomination details, i.e., either furnishing of nomination or declaration for opting out of nomination for investors opening new trading and or demat account(s) on or after October 01, 2021 and for all existing eligible trading and demat account holders latest by March 31, 2022 failing which the trading accounts shall be frozen for trading and demat account shall be frozen for debits.
2. Thereafter, on the basis of representations received from various stakeholders, vide SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P /CIR/2022/23 dated February 24, 2022, the timeline for mandatory submission of 'choice of nomination' for existing trading and demat accounts was extended to March 31, 2023.
3. Based on the assessment of the trading as well as demat accounts in which choice of nomination details (i.e. furnishing of nomination or declaration for opting out of nomination) has not been updated and on the basis of representations received from the stakeholders, it has been decided that the provisions mentioned at para 7 of SEBI circular dated July 23, 2021 read with para 3 (a) of SEBI circular dated February 24, 2022 with regard to freezing of accounts shall come into force with effect from September 30, 2023 instead of March 31, 2023.
4. Stock Brokers and Depository Participants shall encourage their clients to update 'choice of nomination' by sending a communication on fortnightly basis by way of

emails and SMS to all such UCCs/demat accounts wherein the 'choice of nomination' is not captured. The communication shall provide guidance through which the client can provide his/her 'choice of nomination'.

5. All other provisions mentioned in the circulars SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 dated July 23, 2021 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/23 dated February 24, 2022 shall remain unchanged.
6. Stock Exchanges and Depositories are advised to:
 - make necessary amendments to the relevant bye-laws, rules and regulations, operational instructions, as the case may be, for the implementation of the above circular;
 - bring the provisions of this circular to the notice of their constituents and also disseminate the same on the website;
 - monitor the efforts made by trading members and depository participants for updation of 'choice of nomination' by their clients and submit a report to this effect on monthly basis within next seven days from the end of the month. The first such report shall be submitted by May 07, 2023 for the month of April 2023.
7. This circular is issued in exercise of powers conferred by Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
8. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework -> Circulars".

Yours faithfully,

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