

CIRCULAR

SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2025/32

March 19, 2025

To,

1. Asset Management Companies (AMCs) of Mutual Funds (MFs) and their Registrars to an issue and share Transfer Agents (RTAs)
2. Recognized Depositories
3. KYC Registration Agencies (KRAs)

Dear Sir / Madam,

Subject: Harnessing DigiLocker as a Digital Public Infrastructure for reducing Unclaimed Assets in the Indian Securities Market

1. In line with its core mandate of investor protection and safeguarding investor interests, SEBI has directed its efforts towards minimizing the creation of Unclaimed Assets (**UA**) in the securities market. To address this issue in the Indian securities market, SEBI has implemented several measures, including:
 - a) *stipulation of norms for inactive / dormant accounts and folios,*
 - b) *mandating furnishing of contact and bank details by investors,*
 - c) *mandating investors to either provide nomination or expressly opt-out from making a nomination,*
 - d) simplification of norms for transmission,
 - e) centralized mechanism for reporting demise of investor
2. With a view towards reducing unidentified UA¹ in the Indian securities market, it is proposed to harness the prowess of digital public infrastructure (specifically Digital Locker mechanism i.e. 'DigiLocker') and of the KRAs registered with the Board.
3. **DigiLocker**
 - 3.1. DigiLocker is digital document wallet of the Government of India (**Gol**), facilitating citizens in obtaining and storing documents like Aadhaar, PAN, Driving Licence, Death Certificate, etc. 'Issued documents' in DigiLocker are deemed to be at par with originals as per Section 9 A of Information Technology Act, 2000. The functionalities, features and benefits of DigiLocker are enumerated in **Annexure – A** to this circular.

¹ UA (Unclaimed Asset). Conventionally, a folio / account is identified as unclaimed when the dividend / interest payment is unsuccessful or the letter / cheque returns undelivered. Such criteria are ineffective if these payments get credited into the bank account of a deceased investor. The family member would not apply for transmission of the folio / account as they may not be aware of the investment in the first place. In such instance, the folio / account is not only unclaimed, but is also not identified as unclaimed - unidentified unclaimed assets. This circular is aimed at preventing the creation of unidentified unclaimed assets in mutual funds and demat accounts.

3.2. Gol, vide office memorandum dated December 28, 2020², has stipulated that Entities / Institutions delivering citizen services shall integrate their system with DigiLocker. Bank account statement, insurance policy and statement of New Pension Scheme (**NPS**) are already available in the DigiLocker.

3.3. The inclusion of MF and demat holding statements within DigiLocker, can make available the entire financial holdings of individuals in a single account - DigiLocker.

4. **DigiLocker Nominee/s**

DigiLocker also provides nomination facility to its users. The nominee/s specified by the user is/are authorised to access the digital information of the user upon the demise of the user. While specifying the nominee, the user is required to provide the mobile number and e-mail address of the nominee.

5. **Updation of status of DigiLocker User upon demise**

DigiLocker system will update the status of demise of its user, from either of the following sources;

5.1. Register of deaths of the Registrar General and Census Commissioner (**RGI**, see **Annexure – A** for an elaboration), or

5.2. verified information on demise and also the death certificate of the investor available with KRA system, that administers the [centralized mechanism for reporting demise of investors](#). See **Annexure – B** for an elaboration of this mechanism. It is clarified that this information shared by the KRAs with the DigiLocker system, shall not render it an 'Issued document'.

6. **Intimation to DigiLocker Nominee/s upon demise of DigiLocker User**

6.1. At SEBI's instance, a mechanism has been created whereby the DigiLocker automatically notifies the DigiLocker Nominee/s about demise of the user through SMS and e-mail.

6.2. DigiLocker Nominee/s can then access the digital information of the deceased DigiLocker user, through the nominee's own DigiLocker account after authentication of her identity. Harnessing the nomination mechanism in DigiLocker can facilitate information about the financial assets being available to DigiLocker nominee/s and aid in transmission of the assets.

6.3. It is noted that the nomination mechanism in DigiLocker does not alter the norms governing transmission for the mutual funds or demat accounts. *Do see an illustration of transmission to DigiLocker Nominee vis-à-vis Nominee of MF folio / demat account as provided in **Annexure – C**.*

² Office Memorandum No. MISC/UNIVERSALDIGITALACCESS/20-21 (e-6862) on Adoption of DigiLocker to promote Citizen Centric Service Delivery, by Department of Administrative Reforms and Public Grievances.

7. Directions to Securities Market Intermediaries

- 7.1. Accordingly, all AMCs (and their RTAs) and recognised Depositories are directed to register with DigiLocker as 'Issuer' so as to enable users / investors, at their own option, to fetch their;
- holding statement, as of the date immediately preceding the date of fetching, or
 - transaction statements for the last 30 days
- of mutual fund units and demat accounts, respectively, in user's DigiLocker account.
- 7.1.1. the latest generated or last available Consolidated Account Statement (**CAS**) in the previous 12 months of the request.
- 7.1.2. Additionally, DigiLocker system shall also provide the user the option to fetch CAS automatically on the 1st of January each year.
- 7.1.3. The aforementioned entities may, at their option, provide additional information to the investors through the DigiLocker, over and above the aforesaid regulatory requirement.
- 7.2. KRAs are directed to electronically share the details of all the instances of demise of investors³ available in their system with DigiLocker with adequate safeguards for data safety. The technical details of data to be shared and its modalities may be, as mutually agreed, between National e-Governance Division (**NeGD**), SEBI and KRA, from time to time.

Advisory to Investors

8. Investors may consider becoming users of DigiLocker and also consider specifying nominee/s for the DigiLocker (over and above the nomination/s, if any, made in their demat account and MF folio).
- 8.1. In case of demise of the user, the DigiLocker Nominee/s will be notified by the DigiLocker. The DigiLocker Nominee/s can then access the DigiLocker account of the deceased user, after authentication of identity and can view the documents fetched therein by the user.
- 8.2. The DigiLocker Nominee herself can initiate the transmission of deceased investor's financial assets, if she is also the nominee in the account / folio of the investor. Otherwise, it is envisaged that the DigiLocker Nominee/s will pass on the information in the holding statement of MF units and demat account to the surviving joint holder or nominee of the account / folio or the legal heir of investor, as the case may be; thus facilitating them to initiate transmission (see **Annexure C** for an illustrative elaboration on this).

³ Including instances of demise and or its reporting to KRAs, prior to the commencement of this circular.

- 8.3. The above mechanism can prevent the DigiLocker user's investment in financial assets from becoming unidentified UA, if their holding statements were fetched (downloaded) in the DigiLocker account.
9. Investors holding securities in physical mode, can also avail the beneficial measures envisaged in this circular by opting to de-materialize their holdings.
10. This circular shall come into effect from April 01, 2025.
11. All Recognised Depositories are advised to take steps to make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of this circular.
12. AMCs and/or their RTAs, Depositories and KRAs shall communicate to SEBI, the status of implementation of the provisions of this circular.
13. This circular is issued in exercise of the powers conferred under 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.
14. This circular is available on SEBI website at www.sebi.gov.in under the category "Legal → Circulars".

Yours faithfully,

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Cc:
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Annexure - A

To circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2025/32 on Harnessing DigiLocker as a Digital Public Infrastructure for reducing unclaimed assets in the Indian Securities Market dated March 19, 2025

1. DigiLocker: functionalities and features

1.1. DigiLocker is an initiative of the Ministry of Electronics and IT (**MeitY**) of the Government of India under the Digital India programme. DigiLocker empowers the citizens by providing access to authentic digital documents in their digital document wallet. Such documents include Aadhaar, PAN, Driving Licence, Birth and Death certificates, bank account statement, insurance policy, and statement of New Pension Scheme⁴ etc. The issued documents in DigiLocker system are deemed to be at par with original documents⁵.

1.2. Benefits

Citizens benefit by being able to access important documents anytime, anywhere. These documents are authentic and legally at par with originals. With the citizen's consent, digital document exchange can happen. All these enable faster service delivery of government benefits, financial inclusion, etc.

1.3. DigiLocker also serves as a secure document gateway by facilitating secure document exchange platform between trusted issuer and trusted requester / verifier with the consent of the citizen. DigiLocker also enables real time verification as it provides a verification module enabling government agencies to verify data directly from issuers with user's authorization.

2. Updation of status of DigiLocker User upon Demise

2.1. The DigiLocker system has API integration with the RGI's Civil Registration System (**CRS**) portal⁶ for accessing Birth and Death certificates and users can fetch and store these certificates in their DigiLocker account.

2.2. Further, death certificate containing the Aadhaar number⁷ of the deceased alone can be uniquely identified by the DigiLocker system and the DigiLocker system will update the status of the user as deceased.

2.3. As such, the furnishing of Aadhaar is optional for the generation of death certificate. In the absence of a unique identifier, the DigiLocker may not be able to update the status of demise in its systems. Hence, the information on demise of the investor available with the KRAs, is an alternate source of demise reporting to the DigiLocker (see **Annexure B** for elaboration).

⁴ Where the concerned bank, insurance company, Central Record Keeping Agency of NPS is registered with DigiLocker as Issuer.

⁵ In terms of Rule 9A of the Information Technology (Preservation and Retention of Information by Intermediaries providing Digital Locker facilities) Rules, 2016 notified on February 8, 2017 vide G.S.R. 711(E), under the Information Technology Act, 2000.

⁶ In terms of Registration of Births and Deaths (Amendment) Act, 2023, w.e.f. October 01, 2023, the RGI shall maintain a central database of all births and deaths in India.

⁷ The Hon'ble Supreme Court in its order dated September 26, 2018 in the WP 494 of 2012 in the matter of Justice K.S. Puttaswamy (Retd.) Vs. Union Government of India, inter-alia, held that Aadhaar number cannot be stored. Hence, Aadhaar number means only the masked Aadhaar number.

Annexure B

To circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2025/32 on Harnessing DigiLocker as a Digital Public Infrastructure for reducing unclaimed assets in the Indian Securities Market dated March 19, 2025

1. Centralized mechanism of reporting demise of investor through the KRAs

- 1.1. SEBI, vide circular dated [October 03, 2023](#)⁸ has operationalized the captioned mechanism through KRAs. Accordingly, the verified intimation on demise of investor and also the death certificate, as furnished by joint account holder(s) or nominee(s) or legal representative or family member (collectively, referred to as '**notifier(s)**') of a deceased investor to any intermediary registered with SEBI, is captured in the KRA system.
- 1.2. Thereafter, the KRA systems send automatic message to all intermediaries, who have uploaded, updated or fetched the KYC records of the deceased investor. Such intermediaries are then required to freeze the account of this investor and also intimate the procedure for transmission to the respective notifier(s), thus preventing the generation of unidentified UA.

⁸ Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/0000000163, titled, 'Centralized mechanism for reporting the demise of an investor through KRAs', w.e.f. January 01, 2024.

Annexure C

To circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2025/32 on Harnessing DigiLocker as a Digital Public Infrastructure for reducing unclaimed assets in the Indian Securities Market dated March 19, 2025

Illustration of DigiLocker Nominee/s vis-à-vis Nominee/s of MF folios / demat account

Single MF folio / demat account

DigiLocker Nominee	Nominee in Folio / Demat Account	Who has to apply to AMC / DP for Transmission	Transmission in favour of
A	A	A	A
A	B	B	B
A	-	Legal heir of the investor	Legal heir of the investor

In the above illustration, A (DigiLocker Nominee) shall apply for transmission, where A is also the nominee of the account / folio. In other scenarios, it is envisaged that A (DigiLocker Nominee) will pass on the information, in the holding statements available in the DigiLocker, to B (Nominee in Folio / Demat Account) or the legal heir of the investor, as the case may be; thus facilitating them to apply to the AMC / DP for transmission.

Joint MF folio / Joint demat account

DigiLocker Nominee	Nominee in Folio / demat account	Surviving Joint Holder	Transmission Applicant & Transmission in favour of
C	-	D	D
C	-	C	C
C	-	-*	Legal heir of the youngest holder ⁹
C	E	D	D
C	E	C	C
C	E	-*	E

* when all the joint holders perish simultaneously

In the above illustration, C (DigiLocker Nominee) shall apply for transmission, where C is also the surviving joint holder of the account / folio. In other scenarios, it is envisaged that C (DigiLocker Nominee) will pass on the information, in the holding statements available in the DigiLocker, to D (surviving joint holder of the account / folio) or the legal heir of the investors (when all the joint holders perish simultaneously and there is no nominee), or E (nominee of the account / folio), as the case may be; thus facilitating them to apply to the AMC / DP for transmission.

⁹ As stipulated in [SEBI circular on Revise and Revamp Nomination Facilities in the Indian Securities Market, January 10, 2025](#).