Law Simplifier Series

SEBI Circular on Standardization and simplification of procedures for Transmission of Securities

A brief Note on SEBI's Circular No. CIR/MIRSD/10/2013 dated 28/10/13.

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Standardization and simplification of procedures for Transmission of Securities

Securities & Exchange Board of India ('SEBI') along with the Registrars Association of India has reviewed the process of transfer & transmission of shares held in physical and dematerialized form to simplify it in investors' interest.

SEBI has laid down the following provisions relating to the standardization of the transmission process by the Companies, Depositories, Registrar to Share Transfer Agents & all Recognized Stock Exchanges as under *SEBI's Circular No. CIR/MIRSD/10/2013 dated 28/10/13.*

(The said circular can be downloaded by clicking on this link)

Sl.	Title	Procedure	Action to be taken
1	Transmission of securities held in **Demat Mode**	**Where the securities are held in a single name without a nominee:** Existing threshold limit of Rs. 1 Lac per beneficiary owner account **revised to Rs. 5 Lac** for the purpose of following simplified documentation, as already prescribed by the depositories vide bye-laws / operating instructions.	Simplified process for transmissions upto Rs. 5 Lac.
2	Transmission of securities held in **Physical Mode**	**1. Where the securities are held in single name with a nominee:** i. Duly signed transmission request form by the nominee. ii. Original or Copy of death certificate duly attested by a Notary Public or by a Gazetted Officer. iii. Self attested copy of PAN card of the nominee. **2. Additional Documents required for securities held in Physical mode without a nominee:** i. Affidavit to the effect of identification and claim of legal ownership to the securities made on appropriate non judicial stamp	Minutes of the Meeting of the Share Transfer Committee should mention the market value of securities as on the day the request for transmission was received so as to comply with the requirements.

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		paper. ii. For Value of securities upto **Rs. 2 Lac one or more documents required:** a. NOC from all legal heirs who do not object to such transmission **or** copy of Family settlement deed duly notarized by a Gazetted officer and executed by all legal heirs of the deceased holder b. Indemnity made on appropriate non judicial stamp paper – indemnifying the STA/Issuer Company iii. For Value of securities **more than Rs. 2 Lac one or as on the date of application:** a. Succession certificate, or b. Probate of Will, or c. Letter of Administration, or d. Court Decree iv. The Issuer companies, at their discretion, may enhance the value of such securities.	
3	**Timeline for processing transmission requests**	Securities held in dematerialized mode: **7 Days** Securities held in physical mode : **21 days** *After receipt of the prescribed documents*	Earlier there was no time frame. Now transmission has to be made within the specified time limit.
4	**Improvement of awareness of nomination facility**	All Registrars to an Issue and Share Transfer Agents shall publicize nomination as an additional right available to investors, while sending communications to the investors	Future communication to Members holding shares in physical form *(in their sole name)* should provide information on

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			nomination and should include a copy of Nomination Form.
5	**Compliance of Circular**	The Circular shall be complied with at the earliest and not later than 45 days from the date of issue.	All provisions to be complied on or before **12th December 2013.**

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