CORPORATE CONNECT

REVISED FRAMEWORK FOR TRANSMISSION OF SECURITIES

1. Objectives

SEBI has introduced a harmonised, standardised, and risk-based transmission framework to make the process of transferring securities upon the death of a holder more efficient, transparent, and investor-friendly. The circular advances SEBI's broader initiative of *Ease of Doing Investment and Ease of Doing Business in the Indian securities market*.

2. Applicability

The framework applies to transmission of **listed securities** and **AMC-issued units** upon the demise of a sole holder or all joint holders. All listed companies, RTAs, Depositories, DPs, and AMCs are bound by these provisions. **The framework does not apply** where there is any dispute or competing claim; such matters must be resolved through judicial proceedings.

3. Quick Transmission Processing (QTP) - Key Provisions

QTP is a new, expedited category introduced specifically for **low-value claims** by immediate relatives, designed to minimise documentation burden on small investors.

MODE OF HOLDING	QTP THRESHOLD	SIMPLIFIED DOCUMENTATION THRESHOLD
Physical Mode	Up to ₹10,000	Up to ₹10 Lakhs (listed entities may enhance this limit at their discretion)
Dematerialised Mode	Up to ₹30,000	Up to ₹30 Lakhs

Security value is determined by the previous closing price on any recognised stock exchange; for AMC units, the last available NAV is used.

QTP Eligibility and Documentation

- **Eligible claimants only:** QTP is available exclusively to immediate relatives of the deceased - parents, spouse, children, and parents-in-law.
- **Documents required under QTP:** Transmission Request Form-cum-Undertaking on plain paper (Annexure-2), latest CML of the claimant's demat account, a verifiable death certificate, original security certificate or copy of SOA, and a document establishing the relationship between the claimant and the deceased.
- **No notarisation or indemnity bond required under QTP** -

significantly reducing the compliance burden on small investors.

4. Key Documentation Reforms (All Categories)

- **Probate of Will no longer mandatory,** in line with recent succession law amendments.
- **Combined Affidavit-cum-NOC** replaces the requirement of a separate affidavit and a separate NOC.
- **QR code-enabled death certificates** now accepted as a valid verifiable death certificate.
- **Foreign death certificates** may now be verified additionally through overseas branches of Indian banks or foreign banks with correspondent banking relationships with Indian banks.
- **Submission of court-issued documents** (Succession Certificate, Probate of Will, Letter of Administration, or Court Decree) waives the requirement for an indemnity bond and Affidavit-cum-NOC from non-claimant heirs.

5. Joint Holdings - Rule of Survivorship

Transmission to surviving joint holder(s) continues to be governed by the rule of survivorship under the Companies Act, 2013, subject to nothing contrary in the Articles of Association. Processing entities shall not seek any KYC documentation, indemnities, or undertakings from the surviving joint holder — only a copy of the death certificate of the deceased holder is required.

6. Processing Timeline and Accountability

- All transmission requests must be processed within 21 calendar days from receipt of complete documentation.

- Processing entities must acknowledge receipt of claims and immediately notify claimants of any missing or incomplete documents.

- Online submission facilities are permitted; original documents must be presented in person only when required for verification.

- Delays attributable to the processing entity may attract regulatory action by SEBI.

- Processing entities shall submit **monthly reports** to SEBI for six months covering QTP, Simplified, and Above-Threshold categories.

7. Obligations of Market Participants

- **Listed Companies, RTAs, Depositories, DPs, and AMCs** must use standardised SEBI forms (Annexures 2-5) and make them available both physically and online.

- For physical mode securities, RTAs must initiate demat conversion directly, credit securities to the claimant's demat account, and retain physical certificates marked "Securities issued in dematerialised form."

- Any deviation from the prescribed procedure must be communicated to the claimant in writing with reasons. Additional documents demanded for above-threshold cases must be recorded in writing and applied consistently.

- Processing entities shall also extend the simplified framework, to the extent possible, to requests received before the effective date, without requiring resubmission of already-submitted documents.

8. Conditions and Exclusions

- QTP is available only to immediate relatives (parents, spouse, children, parents-in-law) – not to distant relatives or third parties.
- The entire framework excludes disputed or competing claims, which must be resolved through appropriate legal proceedings.
- For cases above the simplified documentation threshold, processing entities may seek additional documents, but must record reasons in writing, apply them consistently, and cannot arbitrarily expand requirements.
- In cases involving nomination, the nominee receives securities as a trustee on behalf of legal heirs; the processing entity is fully discharged upon such transmission.

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