

National Securities Depository Ltd.



Participant Interface Circular

Circular No.: NSDL/POLICY/2011/0013

Date: February 1, 2011

Sub: SEBI's Clarification on opening of account in case of HUF

Attention of Participants is invited to SEBI's Master Circular no. CIR/MRD/DP/ 41 /2010 dated December 31, 2010 for Depositories [refer NSDL Circular no. NSDL/POLICY/2011/0003 dated January 4, 2011], which is a compilation of circulars / communications issued by SEBI up to December 31, 2010.

SEBI has vide point nos. 1.2.6 and 4.3 of aforesaid Master Circular clarified the following in case of Beneficial Owner (BO) account:

“1.2.6 HUF, Association of Persons (AoP), Partnership Firm, unregistered Trust, Registered Trust, Corporate Bodies, minors, etc.

The BO account shall be in the name of natural persons, PAN card details of the respective HUF, AoP, Partnership Firm, Unregistered Trust, etc shall be obtained. The PAN number of Registered Trust, Corporate Bodies and minors shall be obtained when accounts are opened in their respective names.”

“4.3. Opening of demat account in case of HUF

It is noted that as per law, in case of HUF, shares can be held in the name of Existing Karta on behalf of HUF. Therefore, HUF demat accounts can be opened in the name of Existing Karta but not in the name of Deceased Karta and HUF entity.”

In view of the aforesaid, Participants are advised to continue to ensure that for an HUF, the accounts are opened under the type “HUF” in the name of Karta (i.e. natural person) who is alive and not in the name of HUF entity.

For and on behalf of
National Securities Depository Limited

Samar Banwat
Senior Vice President