



Association of Mutual Funds in India

701 - Tower 2B, One Indiabulls Centre, 841, Senapati Bapat Marg, Mumbai - 400 013
Tel. +91 22 43346700 Fax: +91 2 43346712 www.amfiindia.com

135/BP/85/2020-21

June 26, 2020

To All AMFI Members

AMFI Best Practices Guidelines Circular No. 85 /2020-21 **Updated Guidelines on Transmission of Units**

A. Background:

1. AMFI, vide Circular No.20/2010-11 dated February 09, 2011 had issued Best Practice Guidelines with respect to 'Transmission of Units' based on recommendations of AMFI Working Group for Implementation of NISM Recommendations on "Operational Risk Issues in Mutual Fund Investor Service Processes".
2. The guidelines were issued to ensure standardisation of documents needed for transmission of units among AMCs and to avoid any confusion or inconvenience to the claimants of the deceased mutual fund unitholders in the transmission process due to varying practices / documentation amongst different AMCs.
3. The aforesaid guidelines were partially revised from time to time, vide AMFI circulars no. 135/BP/22/10-11 dated March 31, 2011; 35P/ MEM-COR/8 / 11-12 dated June 9, 2011; BP/53/2014-15 dated February 11, 2015; and 135/BP/53A/2014-15 dated March 30, 2015.
4. SEBI has, vide its circular no. SEBI/HO/IMD/DF3/CIR/P/2019/166 dated December 24, 2019, *inter-alia*, mandated that AMCs shall adopt a common Transmission Request Form (common fields) and the NOC form, as also a common set of documents required for transmission of units to the claimant.

To ensure uniformity across the industry in this regard, SEBI has stipulated that AMFI shall prescribe the forms and the common set of documents for transmission of units and the same shall be made available on the websites of AMCs, RTAs and AMFI.

5. AMFI has accordingly reviewed the existing AMFI guidelines for 'Transmission of Units' and documents prescribed by AMFI for transmission of units, as well as the transmission related forms/ formats currently prevailing in the MF industry, in consultation with AMFIs Standing Committee on Operations/Compliance and Risk so as to make it simpler and easier for the claimants, keeping the legal requirements in mind.
6. The detailed guidelines for Transmission of Units under various scenarios and the forms/formats and supporting documents to be collected from the claimants under each scenario is provided in the **Annexure A** hereto.
7. With a view to implement common standard documentation, the forms and the common set of documents for transmission of units are attached hereto as annexures. A ready-reckoner matrix of various documents required under different situations is provided in **Annexure B** hereto.



B. Transmission of Units mandatory before accepting requests for redemption of units

SEBI has reiterated in the aforesaid circular dated December 24, 2019 that AMC's shall not accept requests for redemption from a claimant pending completion of the transmission of units in favour of the claimant. In other words, AMC's shall not entertain or accept any 'Transmission-cum-Redemption' request. Accordingly, AMC's are advised to first accept and process the request for transmission of units with proper documentation and only thereafter accept and process the redemption request.

C. Uniform process for treatment of unclaimed amounts (including unclaimed dividend/redemption proceeds) to be transferred to the claimant

SEBI has vide its circular no. MFD/CIR/ 9 /120 /2000 dated November 24, 2000 read with circular no. SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016, issued detailed guidelines on treatment of unclaimed redemption and dividend amounts, as per which the unclaimed redemption and dividend amounts are invested in a money market instruments or a separate Plan under Liquid scheme / Money Market Mutual Fund scheme, introduced specifically for deployment of the unclaimed amounts by the respective Mutual Funds. Further, investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education.

In the aforesaid circular dated December 24, 2019, SEBI has directed AMC's to implement a uniform process for treatment of unclaimed funds to be transferred to the claimant including the unclaimed dividends, as prescribed AMFI.

Accordingly, the uniform process to be followed by AMC's for treatment of unclaimed funds in respect of the deceased unitholder to be transferred/paid to the claimant is given hereinbelow:

- When a claimant requests for transmission of Units on demise of a unitholder, it is the responsibility of the AMC to pay the unclaimed amount if any, in respect of the deceased unit holder to the claimant, even if the claimant has not made a specific request for the same, as the claimant may be ignorant of the unclaimed amount lying with the fund house.
- Accordingly, on receipt of a Transmission Request Form, the AMC/RTA shall ascertain whether there are any unclaimed amounts, including units in the dedicated Plan under Liquid Schemes/ Money Market Mutual Fund (created specifically for deployment of the unclaimed amounts) to the credit of the deceased unitholder. The AMC/RTA shall also ascertain whether there is any unclaimed redemption/dividend or refund amount payable to the deceased unit holder, which is yet to be transferred to such separate/ dedicated Plan under Liquid Funds for unclaimed amounts.
- If there is any such unclaimed amounts and/or units, such amount shall be paid by direct credit to the claimant's registered bank account via NEFT/RTGS/Direct Fund transfer etc. immediately upon the successful completion of the transmission process, with a suitable intimation to the claimant giving complete details / account statement.



D. Investor Awareness about nomination facility

SEBI has also stipulated in the aforesaid circular that AMCs shall promote the importance of nomination as a part of their investor education and awareness programmes. AMCs are advised to actively create and improve investor awareness about nomination facility as an additional facility available free of cost, while sending communications to the investors. AMCs may also consider sending a suitable communication periodically (at least one a year) to their existing individual unitholders, in whose folios there is no nominee is registered, along with a blank nomination form. It is also felt expedient to uniformity in the Nomination Form across all AMCs. Accordingly, a specimen of the standard Nomination Form is attached herewith.

E. Implementation timeline:

As stipulated in the aforesaid SEBI circular, AMCs are advised to adopt the standard forms / formats and the common set of documents prescribed herein and make the same available on their respective websites as well as their respective RTAs' website at the earliest, but not later than July 1, 2020.

This best practice guidelines circular replaces all previous AMFI guidelines / circulars on the subject including the forms & formats contained therein.

You are requested to confirm having noted the contents of this circular for due compliance and also place the same for information in the next meeting of their Trustees.

With regards,


B. M. Kini
Dy. Chief Executive

Enclosures:

1. Annexure A - Guidelines for Transmission Procedure
2. Annexure B - Transmission Documents Matrix - Ready Reckoner
3. Form T1 - for Deletion of Name of the deceased 2nd or 3rd Jt. Holder
4. Form T2 - for Transmission of Units - Where the 1st holder is Deceased
5. Form T3 Transmission Request Form for Nominee & Legal Heir
6. Form T4 Transmission Request Form for change of Karta upon demise of the registered Karta
7. Form T5 Transmission Request Form where HUF is dissolved upon demise of Karta
8. Annexure-Ia – Form for Bank Attestation of Signature & bank account details
9. Annexure-Ib – Form for Bank Attestation of Signature of the new Karta
10. Annexure-II - Bond of Indemnity furnished jointly by all Legal Heirs for Transmission without Legal Representation
11. Annexure-III - Individual Affidavits to be given by ALL the Legal Heirs
12. Annexure-IV - NOC from other legal heirs (when there is no
13. Annexure-V - Indemnity from coparceners for change of Karta
14. Annexure-VI - Bond of Indemnity by surviving member of dissolved HUF
15. Standard MF Nomination Form



ANNEXURE A

Guidelines for Transmission Procedure

The list the documents required for transmission under various situations is explained in the following paragraphs:

1. Deletion of names of the deceased unit holders in case of death of 2nd and/or 3rd Holder

- i. Request Form (Form T1) from surviving unitholder(s) requesting for Deletion of Name of Deceased 2nd and/or 3rd Holder.
- ii. Death Certificate in original or photocopy duly attested by a Notary Public or a Gazetted Officer.
- iii. Fresh Bank Mandate Form along with cancelled cheque of the new bank account (only if there is a change in existing bank mandate)
- iv. Fresh Nomination Form in case there is no nomination or a change in existing nomination is desired by the surviving unit holders.
- v. KYC Acknowledgment OR KYC Form of the surviving unit holder(s), *if not KYC compliant*.

2. Transmission of Units to surviving unit holder(s) in case of death of the 1st holder

- i. Transmission Request Form (Form T2) for Transmission of Units to the surviving unitholder/s.
- ii. Death Certificate of the deceased unitholder(s) in original OR photocopy duly attested by a Notary Public or a Gazetted Officer.
- iii. Copy of PAN Card of the Surviving Joint Holder(s) (*if PAN is not provided already*)
- iv. Cancelled cheque of the new first unitholder, with the claimant's name pre-printed **OR** Recent Bank Statement/Passbook (not more than 3 months old) of the new first holder.
- v. KYC Acknowledgment OR KYC Form of the surviving unit holder(s), if not KYC compliant.

3. Transmission of Units to the registered Nominee/s in case of death of Sole or All unitholders

- i. Transmission Request Form (Form T3) for Transmission of Units in favour of the Nominee(s).
- ii. Death Certificate of the deceased unitholder(s) in original OR photocopy duly attested by a Notary Public or a Gazetted Officer.
- iii. Copy of Birth Certificate, in case the Nominee is a minor.
- iv. Copy of PAN Card of the Nominee(s) / Guardian (in case the Nominee is a minor)
- v. KYC Acknowledgment OR KYC Form of the Nominee(s) / Guardian (where Nominee is a Minor)
- vi. Cancelled cheque with the Nominee's name pre-printed **OR** Copy of the Nominee's recent Bank Statement/Passbook (which is not more than 3 months old).
- vii. If the transmission amount is upto ₹2 Lakh, Nominee's signature attested by the Bank Manager as per Annexure-Ia. In case the Nominee is a Minor, signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be attested. If the transmission amount is for more than ₹2 Lakh, as an operational risk mitigation measure, signature of the Nominee shall be attested by a Notary Public or a Judicial Magistrate First Class (JMFC) in the space provided for signature attestation in the TRF itself below the signature of the claimant.



4. Transmission of Units to the Claimant/s on death of Sole unitholder or All unitholders, where there is NO NOMINATION registered

- i. Transmission Request Form (Form T3) for Transmission of Units to the Claimant
- ii. Death Certificate of the deceased unitholder(s) in original OR photocopy duly attested by a Notary Public or a Gazette Officer.
- iii. Copy of Birth Certificate in case the Claimant is a minor.
- iv. Copy of PAN Card of the Claimant / Guardian (in case the Claimant is a minor).
- v. KYC Acknowledgment OR KYC Form of the Claimant / Guardian (in case the Claimant is a Minor)
- vi. Cancelled cheque with the claimant's name pre-printed OR Copy of the Claimant's recent Bank Statement/Passbook (which is not more than 3 months old).

If the transmission amount is up to ₹2 Lakh –

- a. Bank Attestation of signature of the Claimant by the Bank Manager as per Annexure-Ia. In case the Claimant is a Minor, the signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be attested.
- b. Any appropriate document evidencing relationship of the claimant/s with the deceased unitholder/s.
- c. Bond of Indemnity - as per Annexure-II → to be furnished by Legal Heirs for Transmission of Units without production of Legal Representation.
Provided that in case the legal heir(s)/claimant(s) is submitting the Succession Certificate or Probate of Will or Letter of Administration wherein the claimant is named as a beneficiary, an affidavit as per Annexure-III from such legal heir/claimant(s) alone would be sufficient; i.e., Bond of Indemnity is not required.
- d. Individual Affidavits to be given by **each** legal heir as per Annexure-III
- e. NOC from other Legal Heirs as per Annexure – IV, where applicable.

If the transmission amount is more than ₹2 Lakh –

- a. Signature of the Claimant duly attested by a Notary Public or a Judicial Magistrate First Class (JMFC) in the space provided for signature attestation in the TRF itself below the signature of the claimant. In case the Claimant is a Minor, the signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be attested.
- b. Individual Affidavits to be given **each** legal heir as per Annexure-III
- c. Any one of the documents mentioned below:
 - ✓ Notarised copy of Probated Will; OR
 - ✓ Succession Certificate issued by a competent court; OR
 - ✓ Letter of Administration or court decree, in case of Intestate Succession.



5. Change of Karta upon death of the Karta of Hindu Undivided Family (HUF)

If the case of a HUF, the property of the HUF is managed by the Karta and the HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will need to appoint a new Karta, who needs to submit following documents for transmission:

- i. Request Form (Form T4) for change of Karta upon demise of the registered Karta.
- ii. Death Certificate of the deceased Karta in original OR photocopy duly attested by a Notary Public or a Gazette Officer.
- iii. Bank's letter certifying that the signature and details of new Karta have been updated in the bank account of the HUF & attesting the Signature of the new Karta as per Annexure-1b.
- iv. KYC Acknowledgment OR KYC Form of the new Karta and the HUF, if not KYC compliant.
- v. Indemnity Bond as per Annexure V signed by all surviving coparceners (including new Karta).
- vi. If the transmission amount is upto ₹2 Lakh, any appropriate document evidencing relationship of the new Karta and the other coparceners with the deceased Karta.
- vii. If the transmission amount is more than ₹2 Lakh, any one of the documents mentioned below –
 - Notarized copy of Settlement Deed, or
 - Notarized copy of Deed of Partition, or
 - Notarized copy of Decree of the relevant competent court.

6. Transmission of Units to the Claimant/s upon death of the Karta of HUF, where there is no surviving co-parcener or the HUF has been dissolved/partitioned after demise of the Karta

- i. Transmission Request Form (Form T5) for Transmission of Units to the Claimant.
- ii. Death Certificate of the deceased Karta in original OR photocopy duly attested by a Notary Public or a Gazette Officer.
- iii. Copy of Birth Certificate in case the Claimant is a minor.
- iv. Copy of PAN Card of the Claimant(s) / Guardian (in case the Claimant is a minor)
- v. KYC Acknowledgment OR KYC Form of the Claimant(s) / Guardian (in case the Claimant is a Minor)
- vi. Cancelled cheque with the claimant's name pre-printed OR Copy of the Claimant's recent Bank Statement/Passbook (which is not more than 3 months old).
- vii. If the transmission amount is upto ₹2 Lakh, attestation of signature of the claimant by Bank Manager as per Annexure-Ia. In case the claimant is a Minor, the signature of the Guardian (as per the Minor's bank account / Minors joint account with the Guardian) shall be attested.

If the transmission amount is for more than ₹2 Lakh, signature of the claimant shall be attested by a Notary Public or a Judicial Magistrate First Class (JMFC) in the space provided for signature attestation in the TRF itself below the signature of the claimant.
- viii. Bond of Indemnity to be furnished by the Claimant as per Annexure-VI.
- ix. If the HUF has been dissolved/partitioned by the surviving members after demise of the Karta, the transmission of units should be effected only on the basis of any of the following documents:
 - Notarized copy of Settlement Deed, OR
 - Notarized copy of Deed of Partition, OR
 - Notarized copy of Decree of the relevant competent Court.



7. Clarifications

- a. In case of death of the 1st holder, if there are two surviving joint holders, the surviving 2nd holder will be treated as the new primary / 1st holder.
- b. PAN card copy of the nominee /claimant/s need not be insisted separately, if the same is available in KYC data. In case of residents of Sikkim, appropriate Id. proof shall be collected in lieu of PAN card.
- c. Where the units are to be transmitted to a claimant who is a minor, various documents like KYC, PAN, Indemnity should be of the Guardian of the minor nominee / legal heir. Bank Attestation of the Signature of the Guardian of the minor shall be as per the bank account of the Minor or the joint account of the Minor with the Guardian.
- d. In case of multiple nominees/ claimants, the monetary threshold of more than ₹2 lakh for the purpose of obtaining the Indemnity Bond shall be determined on the basis of the aggregate value of the Units under all the folios for which the claim is being submitted as per the latest NAV as on the date of receipt of the claim, before dividing / splitting the claim amongst multiple nominees or claimants/ surviving co-parceners.
- e. Also, where there are more than one nominees / legal heirs (claimants) in a folio or set of folios, the nominees / legal heirs should be encouraged / requested to submit the Transmission request together, so that all the Units held by the deceased unitholder(s) could be transmitted in one-go to for operational efficiency and convenience.
- f. If the deceased unitholder(s) held units in several folios, as 1st holder(s) in some folios and as joint holder in other(s), a single claim form may be accepted for operational ease, *provided the ALL the deceased holders are common across the multiple folios* (irrespective of the order of names) AND the nominee(s) / claimant(s) is/are also common/same across ALL the folios.
- g. Once a transmission request is received, it is incumbent upon the AMC/RTA to determine if the deceased unitholder had any unit holdings under any other scheme / folio, and put a flag in the system against all other folios of the deceased unitholder, basis PAN / PEKRN with a suitable communication to the surviving unitholders / nominee/s (if any, registered against the folios) to submit the claim form with reqd. documents in respect of the remaining folios.
- h. In such cases where the deceased was the 1st holder in respect any one of the folios/funds, units in all other holdings across all other folios/schemes, where the deceased was the 1st unitholder shall be 'Stop' marked/blocked against any further transactions basis PAN or PEKRN.
- i. The process and documentation for transmission of units where the claimant / nominee is a mentally unsound person, shall be the same as applicable to a Minor claimant, except that the Guardian shall be a court appointed guardian. Additionally, a Medical Certificate from an appropriate registered medical practitioner may be obtained regarding the Mentally unsound person.
- j. Copies of all supporting documents submitted for settlement of the claim, such as the Death Certificate of the deceased, Birth certificate of the minor, Probate of Will, Succession Certificate, Letter of Administration shall be duly attested by a Notary Public or a Gazette Officer.
- k. If the transmission amount is for more than ₹2 Lakh, as an operational risk mitigation measure, the signature of the Nominee/ Claimant shall be attested only by a Notary Public or a Judicial Magistrate First Class (JMFC) in lieu of banker's attestation. For this purpose, space has been provided for signature in the TRF itself below the signature of the claimant.
- l. While the list of documents mentioned above should be taken in all cases, in specific cases and situations related to transmission of units that are not enumerated in section 1 to 6 above, AMCs should adopt proper due diligence and request for appropriate documents depending on the circumstances of each case and apply the general principles enumerated in sections above before transmitting the units in favour of the claimant/s.



ANNEXURE B

Transmission Documents Matrix - Ready Reckoner							
Sr. No.	Documents required for Transmission	Transmission to Surviving Holders		Sole Holder / All Joint holders deceased & Nomination registered	Sole Holder / All Joint holders deceased & Nomination NOT registered	Karta of HUF deceased	
		2 nd or 3 rd Holder deceased	1 st Holder deceased			New Karta Appointed	HUF Dissolved
1	Prescribed Transmission Request Form	✓ Form T1	✓ Form	✓ Form T3	✓ Form T3	✓ Form	✓ Form
2	Death Certificate of deceased Unit Holder/s / Karta in original or Photocopy duly attested by a Notary Public or a Gazetted Officer.	✓	✓	✓	✓	✓	✓
3	Copy of Birth Certificate (in case the Claimant is a minor)	NA	✓	✓	✓		✓
4	KYC of the Claimant / New Karta / Guardian (in case of nominee /claimant being a minor / of unsound mind).	✓*	✓*	✓	✓	✓	✓
5	Cancelled cheque leaf with name and bank account number pre-printed OR copy of bank statement / Photocopy of Bank Passbook with current entries (not older than 3 months) attested by a Notary Public or a Gazetted Officer or Bank Manager.	✓	✓	✓	✓	✓	✓
6	Bank Attestation of Signature of the Claimant/ Guardian (in case the Claimant is a minor) by the Bank Manager as per Annexure-I where Transmission value upto ₹200,000	NA	NA	✓	✓		✓
7	Bank's letter certifying / attesting the signature and details of new Karta in the bank account of the HUF as per Annexure-1a	NA	NA	NA	NA	✓	NA
8	Attestation of Signature of the Claimant by a Notary Public or a Judicial Magistrate First Class (in the space provided in TRF) if the Transmission value in more than ₹200,000	NA	NA	✓	✓	NA	✓

*If not KYC compliant



Supporting Legal Documents

Sr. No.	Documents required for Transmission	Transmission to Surviving Holders		Sole Holder / All Joint holders deceased & Nomination registered	Sole Holder / All Joint holders deceased & Nomination NOT registered	Karta of HUF deceased	
		2 nd or 3 rd Holder deceased	1 st Holder deceased			New Karta Appointed	HUF Dissolved
(i) [#]	Indemnity Bond duly signed and executed by all legal heir/s confirming the claimants (Annexure II) - Duly notarised	NA	NA	NA	✓	NA	NA
(ii)	Individual Affidavit by all legal heir/s (Annexure III) - Duly Notarised	NA	NA	NA	✓	NA	NA
(iii)	Transmission value upto ₹200,000:						
	Document evidencing relationship of the claimant/s with the deceased unitholder/s	NA	NA	NA	✓	NA	NA
	NOC from other Legal Heirs (Annexure – IV)	NA	NA	NA	✓	NA	NA
	Any appropriate document evidencing relationship of the new Karta and the other coparceners with the deceased Karta.	NA	NA	NA		✓	
(iv)	Transmission value is more than ₹200,000:						
	(i) Notarised copy of the Probated Will OR (ii) Notarised copy Legal Heir certificate or Succession certificate issued by a competent court OR (iii) Notarised copy Letter of Administration, in case of an intestate Succession	NA	NA	NA	✓	NA	NA
	Notarized copy of – Decree of the relevant competent Court OR Deed of Settlement or Deed of Partition	NA	NA	NA	NA	NA	✓
	In case of no surviving co-parceners and the transmission value is more than ₹200,000 OR where there is an objection from any surviving members of the HUF	NA	NA	NA	NA	✓	NA
(v)	Indemnity bond signed by all co-parceners including the new Karta (Annexure V)	NA	NA	NA	NA	✓	NA
(vi)	Indemnity bond signed by the Claimant, where there is no surviving co-parcener or the HUF has been dissolved/partitioned after demise of the Karta (Annexure VI)	NA	NA	NA	NA	NA	✓

In case the claimant produces any one of the documents mentioned at (iv) above, where transmission value is more than ₹ 2 Lakhs, then indemnity bond as mentioned at point no (i) would not be required

Note - All the supporting documents should be either notarized or a notarised copy duly attested by a Gazetted Officer with the Name, seal, signature and designation of the attesting official. For HUF, HUF seal to be affixed on all the documents.