

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1012**

**ANSWERED ON DECEMBER 12, 2023/ 21 AGRAHAYANA, 1945 (SAKA)**

**CENTRALISED PROCEDURE FOR REPORTING AND VERIFICATION ON  
INVESTOR'S DEATH**

**1012. Shri K.C. Venugopal:**

Will the Minister of **Finance** be pleased to state:

- (a) the details of the centralised procedure for reporting and verification in the event of an investor's death, to facilitate the process of transmission in the securities market to legal heirs;
- (b) the specific policies implemented to ensure transparency in the reporting and verification process when an investor passes away; and
- (c) the manner in which these policies are designed to protect the interests of legal heirs?

**ANSWER**

**SHRI PANKAJ CHAUDHARY  
MINISTER OF STATE FOR FINANCE**

**(a) to (c):** SEBI has instituted a “Centralized mechanism for reporting the demise of an investor through KYC Registration Agencies (KRAs)”, vide its circular dated 3<sup>rd</sup> October 2023. A SEBI Registered Intermediary/Regulated Entity, on receiving intimation of the demise of a client/investor, has been obligated to obtain the Death Certificate from the nominee(s) / relative(s), verify the certificate and electronically upload the same in the system of the KRAs.

Subsequently, the KRAs change the status of the individual to ‘Deceased’ in their system and disseminate the same electronically to all other KRAs, from where the status is further disseminated to the SEBI Registered Intermediaries/ Regulated Entities with whom the deceased person held an account/ folio. Thereafter, debit transactions in the account(s)/folio(s) of the deceased holder are frozen and the nominee(s)/relatives are informed about the procedure and modalities for transfer of securities by the concerned Intermediaries/Entities.

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