

Nomination for Your MF Units

Regulatory guidelines prescribe that investors need to add a nominee for all their mutual fund folios. The deadline for this has been extended and folios will be frozen for debits for investors who don't comply.

WHAT IS NOMINATION IN A MUTUAL FUND?

Nomination is the process of appointing a person to take care of your assets in the event of your death. Regulatory guidelines make it mandatory for new folios/accounts opened by an individual as a single owner to make a nomination. In case, investors do not wish to add a nominee, they need to confirm the same in the application form.



WHAT IS THE DEADLINE FOR ADDITION OF A NOMINEE?

The new deadline is June 30, 2024. Investors need to have a nomination in place for their mutual fund schemes held in their folios or opt out of it by this date. If a nomination is already submitted, then no further action is required from the investor. For investors holding mutual fund units in demat form, the nominee for the demat account applies to the mutual fund holdings as well.

WHAT RELIEF HAS SEBI GIVEN RECENTLY ON THE NOMINATION FRONT?

In a recent circular dated April 30, the regulator stated that nomination shall be optional for jointly held mutual fund folios.

WHAT ARE THE CONSEQUENCES OF NOT ADDING A NOMINEE?

If you do not make a nomination in your existing folio, by June 30, your folio will be frozen for debits. This means you will not be able to switch or redeem investments in your existing folios till you submit the relevant details.

WHAT IS THE PROCESS FOR NOMINATION?

Nomination is simple and can be done online through RTA websites or fund house websites. It can also be done offline by filling out the relevant paper form, signing it and sending it to the fund house. In case the mobile numbers or email IDs of the second holder are not updated with the fund house, the online process will not work and investors may have to do it by filling a paper form only.

Invesco Mutual Fund

An investor education and awareness initiative

For Know Your Customer (KYC) guidelines along with the documentary requirements and procedure for change of address, phone number, bank details, etc., please visit the Education and Guidance section on www.invescomutualfund.com. Investor should deal with only SEBI registered Mutual Funds, details of which can be verified under "Intermediaries/Market Infrastructure Institutions" on <https://www.sebi.gov.in/index.html>. For any grievance / complaint, please call us on 1800-209-0007 or write to us at mfservices@invesco.com. Alternatively, complaints can be registered on the SEBI SCORES Portal at <https://scores.gov.in>

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

WHAT ARE THE BENEFITS OF ADDING A NOMINEE?

Nomination makes transmission easy for heirs in the event of the death of the unitholder. However, in the absence of a nominee, the heirs/claimants will have to produce several documents such as a will, legal heir certificate, no-objection certificate from other legal heirs etc. to get the units transferred in their names.

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