CHIEF GENERAL MANAGER
MUTUAL FUNDS DEPARTMENT

MFD/CIR/ 07/213/2002
July 2, 2002

All Mutual Funds Registered with SEBI
Unit Trust of India
Association of Mutual Funds in India

Dear Sirs,

We are enclosing a copy of Gazette Notification dated June 11, 2002 - SEBI(Mutual Funds)(Second Amendment) Regulations, 2002 regarding nomination facility for the unitholders, for your information and implementation.

Yours faithfully,

P.K.NAGPAL

THE GAZETTE OF INDIA

EXTRAORDINARY

PART –II – SECTION 3 – SUB SECTION (ii)

PUBLISHED BY AUTHORITY

SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 11th June, 2002

SECURITIES AND EXCHANGE BOARD OF INDIA

(MUTUAL FUNDS) (SECOND AMENDMENT) REGULATIONS, 2002

S.O No. 625(E).- In exercise of the powers conferred by sub-section (1) of section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities and Exchange Board of India hereby makes the following regulations, namely :-

1. These regulations may be called the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2002.
2. They shall come into force on the date of their publication in the official gazette.

3. In Chapter V, after regulation 29, a new regulation 29A shall be inserted as follows -

" **Nomination**

29A.(1) The asset management company shall provide an option to the unitholder to nominate, in the manner specified in Fourth Schedule, a person in whom the units held by him shall vest in the event of his death.

(2) Where the units are held by more than one person jointly, the joint unitholders may together nominate a person in whom all the rights in the units shall vest in the event of death of all the joint unit holders."

4. In Fourth Schedule,

a. after item vii), a new item vii-a) shall be inserted as follows –

" vii-a) the asset management company shall provide an option of nomination to the unitholders in terms of regulation 29A, in the form prescribed hereunder".

b. after item xi) the nomination form shall be inserted as under –

" FORM FOR NOMINATION / CANCELLATION OF NOMINATION

(to be filled in by individual (s) applying singly or jointly)

I / We ____________ and ______________________ * do hereby nominate the person more particularly described hereunder/ and / cancel the nomination made by me / us on the ____________ day of ____________ in respect of the units bearing No. ___________ .

(* strike out which is not applicable)

Name and Address of Nominee

Name: ……………………………………………………………………….

Address: …………………………………………………………………….

Date of Birth : …………………………………………………………….

(to be furnished in case the Nominee is a minor)

* The Nominee is a minor whose guardian is : …………………………….

Address of the Guardian…………………………………………………….. .
……………………………………………………………………………………

……………………………………………………………………………………

Signature of the guardian : …………………………………………………

(* to be deleted if not applicable)

Unit holder (s) 1) Signature : ………………………………..

Name : ……………………………………

Address : …………………………………

Date : …………………………………….

1. Signature : ………………………………

Name : …………………………………..

Address : ……………………………….

Date : …………………………………..

Instructions :

1. The nomination can be made only by individuals applying for / holding units on their own behalf singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. If the units are held jointly, all joint holders will sign the nomination form. Space is provided as a specimen, if there are more joint holders more sheets can be added for signatures of holders of units and witnesses.
2. A minor can be nominated and in that event, the name and address of the guardian of the minor nominee shall be provided by the unit holder.
3. The Nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian can be a Nominee subject to the exchange controls in force, from time to time.
4. Nomination in respect of the units stands rescinded upon the transfer of units.
5. Transfer of units in favour of a Nominee shall be valid discharge by the asset management company against the legal heir.
6. The cancellation of nomination can be made only by those individuals who hold units on their own behalf singly or jointly and who made the original nomination.
7. On cancellation of the nomination, the nomination shall stand rescinded and the asset management company shall not be under any obligation to transfer the units in favour of the Nominee."

[F. No. SEBI/LGL/ 10236 /2002]

G.N. BAJPAI
CHAIRMAN

Foot notes :

The principal regulations, SEBI (Mutual Funds) Regulation, 1996 were issued under S.O No. 856(E) dated December 9, 1996 published in the Gazette of India, Part II, Section 3(ii) dated December 09, 1996.

SEBI (Mutual Funds) Regulations, 1996 were subsequently amended –

a. On April 15, 1997 by SEBI (Mutual Funds) (Amendment) Regulations, 1997 vide S.O No. 327 (E).
b. On January 12, 1998 by SEBI (Mutual Funds) (Amendment) Regulations, 1998 vide S.O No. 32 (E).
c. On December 08, 1999 by SEBI (Mutual Funds) (Amendment) Regulations, 1999 vide S.O no. 1223 (E).
d. On March 14, 2000 by SEBI (Mutual Funds) (Amendment) Regulations, 2000 vide S.O no. 235 (E).
e. On May 22, 2000 by SEBI (Mutual Funds) (Second Amendment) Regulations, 2000 vide S.O no. 484 (E).
f. On January 23, 2001 by SEBI (Mutual Funds) (Amendment) Regulations, 2001 vide S.O no. 69 (E)
g. On July 23, 2001 by SEBI (Mutual Funds) (Second Amendment) Regulations, 2001 vide S.O. no. 698 (E).
h. On February 19, 2002 by SEBI (Mutual Funds) (Amendment) Regulations, 2002 vide S.O no. 219 (E).