

# **STANDARD OPERATING PROCEDURE FOR TRANSMISSION OF SECURITIES (SHARES/BONDS) HELD IN PHYSICAL MODE**

## **Introduction**

The procedure for transmission of shares is prescribed in Regulation 19 of SBI General Regulations, 1955. Requirement for transmission of shares arises on the death of the individual shareholder, resident or non-resident. The question of death of the shareholder and recognition of the claim of the successor does not arise in the case of shares held by companies and other body corporates having perpetual succession and also in the case of shares held by officers of the Court or Government in their official capacities.

Documents required to be submitted by the nominee/ legal heir(s)/ claimant(s) to Bank/ Bank's Registrar & Transfer Agent (RTA) for transmission of shares are as under:

### **1. Documents required to be submitted by the nominee where the securities are held in a single name with a nomination**

In case of single shareholder where nomination is available, documents prescribed by SEBI, as listed below are to be obtained from nominee:

- a) Duly signed transmission request form by the nominee.
- b) Original death certificate or copy of death certificate attested by the nominee subject to verification with the original or copy of death certificate duly attested by a Notary Public or by a Gazetted Officer.
- c) Self-attested copy of the Permanent Account Number (PAN) card of the nominee, issued by the Income Tax Department.
- d) Rupee 1 face value share certificate in original. Wherever share certificate in original is not produced, documents for issuance of duplicate share certificate need to be submitted by the nominee along with documents prescribed for transmission.

**Note:** In case shares are held in joint names and there is no surviving shareholder (due to death of all joint holders), the same procedure will be applicable as mentioned above for transmission of securities to nominee.

**2. Documents required to be submitted by the legal heir(s) / claimant(s) where securities are held in a single name without a nomination**

Documents required to be submitted by the legal heir(s) / claimant(s) where the securities are held in single name without a nomination can be divided in three categories as under:

**Category-A: For value of securities, with threshold limit of up to Rupees five lakhs only as on date of application**

- I. Duly signed transmission request form (as per Appendix -A) by the legal heir(s) / claimant(s).
- II. Original death certificate or copy of death certificate attested by the legal heir(s) / claimant(s) subject to verification with the original or copy of death certificate duly attested by a Notary Public or by a Gazetted Officer.
- III. Self-attested copy of the Permanent Account Number (PAN) card of the legal heir(s) / claimant(s), issued by the Income Tax Department.
- IV. Rupee 1 face value share certificate in original. Wherever share certificate in original is not produced, documents for issuance of duplicate share certificate need to be submitted by the legal heir(s) / claimant(s) along with documents prescribed for transmission.
- V. A notarised affidavit (as per Appendix-B) from all legal heir(s) made on non-judicial stamp paper of Rupees 500/-, to the effect of identification and claim of legal ownership to the securities. However, in case of legal representation, i.e. where Succession Certificate or Probate of Will or Letter of Administration as may be applicable in terms of Indian Succession Act, 1925 (39 of 1925) is available and legal heir(s) / claimant(s) are named in the same, an affidavit from such legal heir(s) / claimant(s) alone shall be sufficient).
- VI. In addition to documents mentioned above, Legal heir(s) / claimant(s) have two options to submit their request for transmission of shares, i.e., (a) Request based on Legal Representation or (b) Request without legal representation, by submitting additional documents as under:**

**(a) Request based on Legal Representation**

A copy of Succession Certificate or Probate of Will or Will or Letter of Administration or Court Decree as may be applicable in terms of Indian Succession Act, 1925 or Legal Heirship Certificate or its equivalent

certificate issued by a competent Government Authority, attested by the legal heir(s) / claimant(s) subject to verification with the original or duly attested by a Notary Public or by a Gazetted Officer with stipulations as under:

1. **Where copy of Will is submitted** - A notarized indemnity bond (as per Appendix-C) from the legal heir(s) /claimant(s) to whom the shares are to be transmitted.
2. **Where a copy of Legal Heirship Certificate or its equivalent certificate issued by a competent Government Authority is submitted**, following documents are also to be submitted:
  - (i) A notarized indemnity bond from the legal heir(s) / claimant(s) to whom the securities are to be transmitted.
  - (ii) A No Objection Certificate (as per Appendix-D) from all non-claimants, stating that they have relinquished their rights to the claim for transmission of securities.

**OR**

**(b) Request Without Legal Representation**

- (i) No Objection Certificate (as per Appendix-D) from all the legal heir(s) stating that they do not object to such transmission or copy of family settlement deed executed by all the legal heirs duly attested by a Notary Public or by a Gazetted Officer.
- (ii) A notarized indemnity bond (as per Appendix-C) made on non-judicial stamp paper of Rupees 500/-, indemnifying State Bank of India/its Registrar & Transfer Agent (RTA).

VII. A copy of other requisite documents for transmission of securities as may be applicable (as mentioned in the ready reckoner given below), attested by the legal heir(s)/claimant(s) subject to verification with the original or duly attested by a Notary Public or by a Gazetted Officer.

**Note:** In case shares are held in joint names and there is no surviving shareholder (due to death of all joint holders), the same procedure will be applicable as prescribed above for transmission of securities to legal heir(s) / claimant(s).

**Category-B: For value of securities, with threshold limit of more than Rupees five lakhs and up to Rupees ten lakhs as on date of application**

- (i) Documents mentioned above at serial number 2, Category-(A)(I) to (V),
- (ii) Document mentioned above at serial number 2, Category- (A)(VI), as may be opted by the claimant from sub clause (a) and (b),
- (iii) Documents mentioned above at serial number 2, Category-(A)(VII), and
- (iv) Surety of adequate value (as per Appendix- E).

**Category-C: For value of securities, threshold limit of more than Rupees 10 lakhs as on date of application**

In such cases, legal heir(s) / claimant(s) need to apply for transmission of securities through **“Request Based on Legal Representation” only**, hence, legal heir(s) / claimant(s) are required to submit documents mentioned above at serial number 2, Category-(A)(I) to (V), (VI)(a) and (VII).

**3. Operational Guidelines for processing investor’s service request for the purpose of transmission of securities**

The operational guidelines for processing of investor service requests for the purpose of transmission of securities are as under:

- a. After verifying and processing the requests from shareholders and where documents are found to be in order, the Bank / its RTA shall intimate the claimant(s) about its execution as may be applicable, within 30 days of the receipt of such request, by way of issuing a Letter of Confirmation.
- b. The RTA shall retain the physical securities as per the existing procedure and deface the certificate with a stamp “Letter of Confirmation Issued” on the face / reverse of the certificate, subsequent to processing of service request.
- c. The Letter of Confirmation shall, inter-alia, contain details of folio and demat account number (if available) of the claimant(s).
- d. The Letter of Confirmation shall be sent by the Bank / its RTA through Registered / Speed Post to the claimant(s) and a digitally signed copy of the Letter of Confirmation shall be sent by the Bank / its RTA to the claimant(s) through e-mail.

- e. Within 120 days of issue of the Letter of Confirmation, the claimant(s) shall submit the demat request, along with the original Letter of Confirmation or the digitally signed copy of the Letter of Confirmation, to the Depository Participant (“DP”).
- f. DP shall generate the demat request on the basis of the Letter of Confirmation and forward the same to the Issuer Company / RTA for processing the demat request.
- g. In case of the securities which are required to be locked in, the RTA while approving / confirming the demat request, shall incorporate / intimate the Depository about the lock-in and its period.
- h. The Bank / its RTA shall send reminders, initially after the end of 45 days and subsequently after 90 days from the date of issuance of the Letter of Confirmation, informing the claimant(s) to submit the demat request as mentioned above, in cases where no such request has been received by the Bank/its RTA.
- i. In case of non-receipt of demat request from the claimant(s) within 120 days of the date of issue of the Letter of Confirmation, the securities shall be credited to Suspense Escrow Demat Account of the Bank.

#### **4. Ready Reckoner: Documents required for transmission of securities**

##### **(A) Where security holder(s) is/ are deceased & nomination is registered**

<b>Sr. No.</b>	<b>Documents required for transmission*</b>	<b>Check List</b>
<b>1.</b>	Transmission Request Form	I
<b>2.</b>	Original death certificate or copy of death certificate attested by a notary public / gazette officer or copy of the death certificate attested by the nominee(s) / claimant(s) /legal heir(s), subject to verification with original by the RTA/ Bank	I
<b>3.</b>	Self-attested copy of Permanent Account Number Pan Card of the nominee(s) /claimant(s)/ legal heir(s) issued by the Income Tax Department	I
<b>4.</b>	Copy of Birth Certificate (in case the nominee /claimant / legal heir is a minor)	I
<b>5.</b>	KYC (wherever non-KYC compliant) of the Claimant Guardian (in case of nominee / claimant being a minor / of unsound mind).	I
<b>6.</b>	Original security certificate(s)	I

*\*These are common documents to be submitted for transmission of securities in all cases by the nominee / claimant(s) / legal heir(s).*

**(B) Where security holder(s) is / are deceased & nomination is not registered**

Sr. No.	Documents required for transmission	Check List
1.	All the documents prescribed herein above at Serial Number 1 to 6 under the heading “ <b>Where security holder(s) is / are deceased &amp; nomination is registered</b> ”	✓
2.	Notarized affidavit from all legal heir(s) made on non-judicial stamp paper of Rupees 500/- on identity and claim of ownership.	✓
3.	In case the legal heir(s) / claimant(s) are named in the Succession Certificate or Probate of Will or Will or Letter of Administration or Legal Heirship Certificate (or its equivalent certificate), instead of the document mentioned in point 2 above, an Affidavit from such legal heir(s) / claimant(s), duly Notarized shall be sufficient.	✓
4.	<p style="text-align: center;"><b>Copy of any of the following documents:</b></p> <p>(i) Succession certificate; or            (ii) Probate of Will; or            (iii) _____ will, along with a notarized indemnity bond from the legal heir(s) / claimant(s) to whom the securities are transmitted, or            (iv) Letter of Administration; or            (v) Court Decree; or            (vi) Legal Heirship Certificate or its equivalent, along with (i) a notarized indemnity bond from the legal heir (s)/claimant(s) to whom the securities are transmitted and (ii) No Objection Certificate from all the non-claimants duly attested by a Notary Public or by a Gazetted Officer.</p> <p><b>Note:</b> -The document copies should be attested by the legal</p>	✓
5.	<p>For cases where the value of securities to be transmitted is <b>up to Rupees five lakhs</b> as on the date of application / submission of complete documentation, legal heir(s) / claimant(s) have the option to submit documents mentioned below instead of documents mentioned at serial number 4 above;</p>	✓

Sr. No.	Documents required for transmission	Check List
	<p>(i) No objection certificate from all legal heirs(s) or copy of family settlement deed executed by all the legal heirs, duly attested by a Notary Public or by a Gazetted Officer; and</p> <p>(ii) Notarized indemnity bond made on non-judicial stamp paper of Rupees 500/-, indemnifying the Bank / its RTA.</p>	
6.	<p>For cases where the value of securities to be transmitted is <b>more than Rupees five lakhs and up to Rupees ten lakhs</b> as on date of application / submission of complete documentation;</p> <p>(i) All the documents prescribed herein above at serial number 1 to 5; and</p> <p>(ii) Surety of adequate value.</p>	✓
7.	<p>For cases where the value of securities to be transmitted is <b>more than Rupees ten lakhs</b> as on date of application / submission of complete documentation;</p> <p>All the documents prescribed herein above at serial number 1 to 4.</p>	✓