**FAQ’s ON DMAT/REMAT OF MUTUAL FUNDS UNITS**

**1** Who is eligible to apply for units in DMAT mode during subscription?

All types of investors Individual & Non Individual can opt for DMAT subject to having a valid DMAT account.

1. How can an investor opt for units in DMAT mode at the time of subscription in NFO?

In order to opt for units in DMAT mode investor needs to select the Unit holding Option Mode as DMAT in the Application form and specify the Depository Participant (DP) name, DP Id/Client ID of beneficiary on the application

1. What are the documents to be submitted by the investor in order to opt for DMAT?

Investor needs to submit any one of the below documents along with the application form if he wishes to opt for units in DMAT mode:

1. Client Master List (CML) from his depository participant
2. Transaction cum Holding Statement from his depository participant
3. Delivery Instruction Slip (DIS) given by his depository participant
4. How can a branch report the transaction where the units are requested in DMAT mode?

While reporting the transaction branch needs to select whether the investor has opted for allotment in Physical mode or DMAT mode (Electronic – NSDL or Electronic CDSL) while entering in KBOLT for NEW PURCHASE, in the first entry screen.

1. How can the branch identify whether a particular DMAT account pertains to NSDL or CDSL?

Length of DMAT account number for NSDL and CDSL is 16 digits, of which first 8 are DP Id and last 8 digits are Client ID (investor account).

The DP Id of NSDL starts with alphabets ‘IN’ followed by 6 numeric digits. For e.g. IN300394

The entire 16 digit DMAT account number of CDSL is numeric DP Id generally starts with ‘1’. For e.g. 13014400

1. What will happen if the investor has not specified the Depository (DMAT) details correctly in the application form or not submitted the supporting documents for DMAT allotment?

If the investor has not specified the DMAT account details correctly in the application form or not submitted the supporting documents for DMAT allotment, units will be allotted in the Physical Mode and statement of account issued

8 How can a branch identify whether the Depository (DMAT) details are mentioned correctly in the application form?

Branches need to verify the depository details mentioned in the application form along with the Client Master List (CML) or Transaction cum Holding Statement or Delivery Instruction Slip (DIS) submitted by the investor.

1. Does the investor have to submit CVL KYC along with Subscription application where the units need to be allotted in DMAT?

Yes, as per latest KYC requirements investor has to submit CVL/NDML KYC if the units are to be allotted in DMAT mode. KYC status of DMAT account shall be considered for allotment of units. In case the request for allotment in DMAT mode is rejected due to any reason, CVL KYC status shall be checked. If the CVL status is invalid / rejected, communication will be sent to investor directly to submit the acknowledgement for CVL KYC from HO

1. In which schemes can the investor request for DMAT?

Investors will have the option to subscribe for units in DMAT for all Schemes of MF viz. open ended, close ended, Interval & Tax Saving funds in Growth; Dividend Payout and Monthly Dividend Re-Investment Options only, inclusive of SIP applications.

**11 How long will it take for transfer of units after purchase from stock markets in case of listed close-ended schemes?**

According to SEBI Regulations, no sale of units held in certificate or SOA form is allowed. Investor has to mandatorily hold units in DMAT mode only to sell/purchase units of listed Close-end schemes in Mutual Fund. All transfer/settlements are mandatorily closed on T+2 basis on the exchange.

**12 What are the benefits of participation in a depository?**

The benefits of participation in a depository are:

* Immediate transfer of securities;
* No stamp duty on transfer of securities;
* Elimination of risks associated with physical certificates such as bad delivery , fake securities , etc.;
* Reduction in paperwork involved in transfer of securities;
* Nomination facility;
* Change in address recorded with DP gets registered electronically with all companies in which investor holds securities eliminating the need to correspond with each of them separately;
* Transmission of securities is done by DP eliminating correspondence with companies separately;
* Holding investments in equity, debt instruments, Government securities and Mutual Fund units in a single account;
* Dividend if any declared are paid directly with the Bank account registered with DP

* 1. **Can I operate a joint account on "either or survivor" basis just like a bank account?**

No. The DMAT account cannot be operated on "either or survivor" basis like the bank account. Only Single and Joint options are available.

* 1. **Can the units in DMAT account be pledged?**

Yes, units held in DMAT account can be pledged in same manner as SOA with your Financier giving the statement of holdings from your depository participant. The financier will register such documents with your depository participant directly.

**15 Who will receive dividend on the pledged securities?**

Pledgor (account holder) will continue to receive dividend on the pledged securities. The pledgee will get the benefits only if pledge is invoked and on record date the shares/units are in the pledgee's account.

**16 How will I know that my DP has updated my account after each transaction?**

Your DP will give you a Transaction Statement periodically, which will detail your current balances and the various transactions you have done through the depository account. If you so desire, your DP may provide Transaction Statement at intervals shorter than the stipulated ones, probably at a cost.

**17 At what frequency will I receive my Transaction Statement from my DP?**

You will receive a Transaction Statement from your DP once in a quarter. If you have done any transaction during the quarter, you will receive the statement within fifteen days of the transaction.

**18 What security do I have if the only proof of my holdings in the depository is merely a**

**Holding statement, indicating my account balance?**

No transaction can be effected in your account without your written authorisation. Further, if you are away for a long time, you have the facility of freezing your account wherein only credits into your account will be allowed and no debit will be possible.

**19 What do you mean by Conversion of Mutual Fund Units (*represented by Statement of Account*)?**

If you are holding Mutual Fund Units in physical form, which are represented by Statement of Account, you can convert this Statement of Account into Dematerialised form in your DMAT account with any Depository Participant (DP) of NSDL

**20 Can existing DMAT account be used to convert the Mutual Fund Units (*represented by Statement of Account*) in Dematerialised form?**

Yes.

**21 What is the procedure for converting the Mutual Fund Units (*represented by Statement of Account*) into Dematerialised form through my DP?**

* Obtain Conversion Request Form (CRF) from your DP.
* Fill-up the CRF.
* Submit the CRF along with the latest Statement of Account obtained from AMC/RTA to your DP.
* After due verification, the DP would send the CRF and Statement of Account to the AMC / RTA.
* The AMC / RTA after due verification will confirm the conversion request and the Mutual Fund Units in your DMAT account will be credited.

**22 What is the procedure for converting the Mutual Fund Units (*represented by Unit certificate*) into Dematerialised form through my DP?**

* Obtain Conversion Request Form (CRF) from your DP.
* Fill-up the CRF completely and sign by all unit holders.
* Submit the CRF along with original unit certificate enclosed to your DP.
* After due verification, the DP would send the CRF and Statement of Account to the AMC / RTA.
* The AMC / RTA after due verification will confirm the conversion request and the Mutual Fund Units in your DMAT account will be credited.

**23 Is it mandatory to mention the ISIN\* (*International Securities Identification Number*) of the Mutual Fund schemes while filling up the CRF?**

Yes, it is necessary to mention ISIN on the CRF. The ISIN details of the Mutual Fund Schemes held by you can be obtained from your DP or you can access the website link https://nsdl.co.in/nsdlnews/hold-mutual-fund-units.php and click on ‘List of Mutual Fund ISINs’ to know more about the ISIN details. Normally this is printed on the statement of account issued by AMC/RTA

**24 What if the units are in locked-in and free under the same ISIN?**

You will be required to submit a separate CRF for locked-in and free units if such Mutual Fund Units (*represented by Statement of Account*) are held under the same ISIN.

**25 What if the name and pattern of holding in your DMAT account is different from the name and pattern held in Statement of Account/unit certificate? Example; DMAT account is in the names of X, Y and Z and the Statement of Account is the names of Y, Z and X.**

The name and pattern of the holding must be same in DMAT account and Statement of Account/Unit certificate. As per the cited example, Mutual Fund Units cannot be converted into Dematerialised form as there is a mismatch in the pattern of holding.

**26 How do I redeem the Mutual Fund Units held in my DMAT account?**

You can redeem your Mutual Fund Units held in Dematerialised form through two different modes i.e., either your DP directly or Stock Broker.

**27 What is the procedure to redeem the Mutual Fund Units held in Dematerialised form through my DP?**

* + Obtain Redemption Form (RF) from your DP.
  + Fill-up the RF form and submit it to your DP duly signed by all unit holders.
  + After due verification, your DP will execute electronic redemption request, which will be electronically forwarded to the AMC / RTA.
  + The AMC / RTA will verify the redemption request and if in order, confirm the electronic request and make the payment as per your bank account details available in your DMAT account

**28 What is the procedure to redeem the Mutual Fund Units held in Dematerialised form through my Stock Broker?**

For redemption purpose, in addition to placing order through your Stock Broker, you will have to submit Delivery Instruction Slip (DIS) to your DP to transfer the Mutual Fund Units to the designated CM Pool account of National Securities Clearing Corporation Limited (NSCCL) / BOI Shareholding Limited (BOISL). The designated CM Pool account of NSCCL and BOISL are given below for your information:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **#** | **Stock Exchange Name** | **Clearing Corporation name** | **CM BP ID** | **Market**  **Type** | **Pay-in**  **Deadline** |
| 1 | National Stock Exchange of India Limited | NCCL | IN565576 | Normal Redemption  Liquid Redemption  MFSS T + 2 | 4.30 pm on  Trade Day  (Order Day) |
| 2 | Bombay Stock Exchange Limited | BOISL | IN640016 | Mutual Fund Redemption |

NSCCL / BOISL will credit the requisite funds in your Stock Broker’s Clearing Bank account through usual settlement process for onward payment to you.

**29 From where will I obtain the NAV details of Mutual Fund Units held in my DMAT account?**

The NAV details can be obtained from the concerned AMC / RTA. You can also view the NAV details of your Mutual Fund Units held in Dematerialised form through ***IDeAS*** facility of NSDL or ***easi***est of CDSL (*an internet based facility which facilitates you to view the latest balances with value and transactions that have taken place in your account in the last 30 days. You can also download month-wise Transaction Statement*).

**30 What are the guidelines on nomination?**

The nomination present in a DMAT account will also be applicable for Mutual Fund Units held in that DMAT account. If you so desire, you can change the nominee in your DMAT account by simply filling-up the nomination form available with DP once again and submit it to your DP directly or open another DMAT account to nominate the desired person as a nominee in that DMAT account.

**31 Can I transfer the Mutual Fund Units from one DMAT account to another DMAT account?**

Yes. You can transfer Mutual Fund Units from one DMAT account to another DMAT account (*i.e., transfer between DPs of NSDL*) or from DMAT account of one depository to DMAT account of another depository except for Mutual Fund Units which are under locked-in (*say ELSS units*)

32 Can I reconvert my units held in DMAT mode back to Statement of account?

Yes, this is possible. This Reconversion is called as REMAT in depository terms. This is subject to the availability of such facility as per the Scheme Offer Document and Addendums released by Mutual Fund from time to time.

33 What is the procedure to reconvert the units held DMAT mode to SOA?

For reconversion to physical mode as SOA

* Obtain REMAT/Re-statementization Request Form (RRF) from your DP.
* Fill-up the RRF completely and sign by all holders.
* Submit the RRF with your DP.
* After due verification, the DP would register the request at his end and send the RRF to the AMC / RTA.
* The AMC / RTA after due verification will confirm the conversion request to your DP for extinguishment of such units from your DMAT account.
* AMC/RTA will issue normal mutual fund statement of account confirming reconversion to physical mode for your record.

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