



THE WORLDONOMICS TIMES

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DIRECTOR
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THE CHANGING LANDSCAPE OF GLOBAL ECONOMIES: A WINDOW INTO THE DYNAMIC WORLD OF WORLDONOMICS

In today's interconnected world, the dynamics of global economics continue to evolve rapidly. As nations strive to navigate the challenges and opportunities in this ever-changing landscape, Worldonomics plays a crucial role in bringing insights and analysis to the forefront. With its reputable position as a leading informational hub, the Worldonomics Times US website (worldonomics.in) serves as an invaluable reference for anyone seeking a deeper understanding of the world economy.

One of Worldonomics' notable strengths is its ability to provide comprehensive coverage and insights on a wide array of economic topics. From macroeconomics to sector-specific analyses, readers can explore a myriad of articles written by renowned economists and industry experts. Whether one is interested in exploring the impact of geopolitical events on financial markets or dissecting the implications of emerging technologies, Worldonomics covers it all.

Advancements in Technology:

Technology undeniably stands at the forefront of societal progress. Across a broad spectrum of articles, discussions on technological progress and its implications on various aspects of life have taken the spotlight. Subjects such as artificial intelligence, blockchain, virtual reality, and quantum computing have consistently attracted attention. These articles feature groundbreaking research, real-world applications, and ethical considerations, captivating readers with a glimpse into the future.

Sustainable Development and Climate Change:

The pressing need to tackle climate change and promote sustainable development has been a recurring theme in our publication. Articles centered on renewable energy sources, eco-friendly practices, and the shift towards a low-carbon economy have maintained a steady presence. The convergence of technology and sustainability has also been a notable focus, with discussions on smart cities, circular economy, and sustainable transportation solutions.

Education and Lifelong Learning:

The significance of education and continuous learning has been a prominent theme in our publication. Articles exploring innovative teaching methods, the integration of technology in education, vocational training, and online learning have appealed to readers adapting to a knowledge-based economy. The focus on empowering individuals to acquire new skills and knowledge has remained consistent.

Social Justice and Equality:

In a world where social issues demand ongoing attention, our publication has presented numerous insightful articles on social justice and equality. Topics such as gender equality, racial justice, LGBTQ+ rights, and socio-economic disparities have sparked meaningful dialogues. These articles delve into the challenges faced by marginalized communities while proposing solutions to foster a fair and inclusive society.



Sandeep Kumar

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Article on SEBI Consultation Paper on Nomination

Brief of Consultation Paper on Nomination

SEBI has brought consultations paper on Nominations to address the issue of Unclaimed investments in Securities market. SEBI has put in place various measure for reduction of unclaimed investments such as Simplified KYC process, Nomination process, Transmission norms etc. But one of the primary factor in contributing to increase in Unclaimed Assets is unavailability / incomplete nominations. Thus with a view to revamp nomination process in for securities held in Dematerialized form and for Units of Mutual Fund held in Statement of Account (Materialized form), SEBI has brought this consultation paper.

However, such revamped nomination will not affect the current system of law governing Transmission through Legal Heir Certificate, Probate of Will or Succession Certificate, where no nomination is made.



SEBI has proposed following additional measures to smoothen the Nomination process:-

- **Nomination to be made in a safe and verified manner:** Investors should be allowed to make nominations in digital manner through Digital Signature certificate or Adhar Based E-sign to make it secure and hassle free.
- **Personal Details of Nominee:** When an investor makes the nomination, nominee's personal details such as name, address, contact number, mail id, PAN, Adhar etc to be mentioned. This serves better identification of nominee and also allows the Depository or Mutual Fund AMC to reach out to nominee if required.
- **Acknowledgement of Nomination:** When nomination is made or changed, a due acknowledgment of same to be given to investors and record of the same to be kept by the entity for a specified period.
- **Nomination proportion:** Due information of proportion of nomination, in case of multiple nominations to be given by entities on the request of investors.
- **Multiple Nominations:** Multiple nominations to be allowed to and increased from current limit of maximum three nominations which are sufficiently high to address ordinary requirements of investors.



- **Nominee being Minor:** In case of Nominee being minor, option to be given to investors, to specify the guardians.
- **Transfer of Assets to Nominee:** For transfer of assets to nominee, reaffirming of KYC of nominee to be done and due discharge by creditor if there is a subsisting credit against the security.
- **Common forms for Nominations:** to introduce common forms and common process for making or changing of nominations across the depositories or mutual fund houses.

Incapacitated Person and Current Rules of nomination for them:

An Incapacitated Person means a person who is unable to make a rational decision or communicate that decision due to a physical or mental condition and such condition prohibits them from doing so.

Currently in case of Incapacitated person, if the family wants to manage or use the incapacitated person's wealth for his own well being or for any other reason, the family member has to obtain Guardianship Certificate from court under Rights of Persons with Disability Act, 2016 and Mental Healthcare Act, 2017. But the process of obtaining Guardianship Certificate is complex as court also cannot allow transfer of assets of incapacitated person to family members and without transfer the court allows use of wealth of incapacitated person in a very controlled manner. Further even if incapacitated person appoints nominee, the rights of nominee will only arise after death of incapacitated person.

Suggestions by SEBI in Consultation Paper for nominations by Incapacitated Investors:

Thus to address the current issue faced in case of Incapacitated person, SEBI has suggested the revamped process for nominations by permanent or temporarily incapacitated investors so that the family members and incapacitated person donot have to undergo complex process of Guardianship Certificate. The brief of the proposal made by SEBI in this regard are as follows:-

- In case of Incapacitated investors, nominees can be allowed to conduct the transactions on behalf of investors.
- In case of single nominee, such nominee will be authorized to conduct the transactions. In case of multiple nominee, investor can specify which nominee to conduct the transactions.
- In case, Incapacitated investor has capacity to contract, then he may authorize the nominee to conduct the transaction through Power of Attorney (POA).
- In case, Incapacitated investor doesnot have capacity to contract, then Guardianship certificate to be obtained from court and such guardian will be authorized to conduct transactions.
- For any authentication or authorization by incapacitated investor, depository or Mutual Fund AMC may ask for a Doctor's certificate or in person verification by Depository or AMC instead of physical signature of investor.

Thus SEBI has attempted to suggest simplified and digital nomination process and also to enable nomination and conduct of transactions by incapacitated investors with a view to address the issue of unclaimed assets lying in Dematerialized form or Mutual Fund units held in Statement of Account form. Same process is also suggested for nominations in Alternate Investment Funds.

Differences, Challenges and Best Practices:

Earlier there was no provision of operation of assets of incapacitated person by nominee. With this consultation paper SEBI has tried to address this issue by suggesting the ways how nominee can operate the assets of incapacitated persons. SEBI has suggested that incapacitated person can assign the rights to nominee through Power of Attorney(POA) / Authorisation Letter or Court Guardianship Certificate. But the challenge here may that there may be cases of manipulations as SEBI has specified that POA will be General or Registered. Prima facie, it seems SEBI has suggested for Regular POA. In such cases there may be issue of manipulations as Regular POA can be made without much checks through normal notarisations, while in case of Registered POA, there are negligible chances of manipulations as it is duly registered with Revenue Authorities in presence of Witness.

Thus the best practice would be to ensure that the assignment of rights by incapacitated investor to nominee should be through Registered POA. It will ensure that the suggestion made by SEBI in regard to Incapacitated persons will be adhered in true spirit.



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