



MUTUAL FUND NOMINATION IMPORTANCE AND FAQ's

Why is nomination important for mutual funds?

A nominee is a custodian of a person's investment holdings. Many investors do not add a nominee when investing in a mutual fund and think that nominee be added only if you have dependents. Let us understand the importance of nomination in mutual fund investing in detail:

- Nomination ensures all rights and /or amount(s) payable in respect of the holdings in Schemes of Invesco Mutual Fund would vest in the favour of the nominee upon death of the Unit holder.
- It is important for a person to nominate one of their family members while investing in a mutual fund. In case of the sudden unforeseen demise of the unitholder/s, the nomination facility helps in transferring the mutual fund units to the nominee.

To put in a simple manner "The process of appointing an individual to care for the assets in case of demise of the investor is called Nomination"

Frequently Asked Questions (FAQs)

1. Who can nominate?
 - Only individuals applying for /holding units on their own behalf singly or jointly can make the nomination. Also includes sole proprietor of a sole proprietary concern.
2. Who cannot nominate?
 - Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu undivided family, holder of Power of Attorney cannot nominate
 - Nomination is not allowed for folios in the name of a minor. The regulations do not permit a guardian to be nominee in the same account, as it shall be the sole discretion of minor after attaining age of majority.
3. Who can be a nominee?
 - Other than a company/body corporate, partnership firm, Hindu Undivided Family (HUF) , society or a trust (other than a religious or charitable trust), one may nominate any person including a minor.
 - In case the nominee is a minor, the Investor making the nomination shall provide the name and address of the guardian of the minor nominee.
 - Even a Non-Resident Indian (NRI) can be a Nominee, subject to the exchange control rules in force, from time to time.
 - Nomination can also be made in favor of the Central Government, State Government, a local authority, any person designated by virtue of his/her office or a religious or charitable trust

4. Multiple Nominees criteria
 - Maximum of three nominees allowed in the folio. In case of multiple nominees, the percentage of allocation / share in favor of each of the nominees indicated against their name and such allocation / share should be in whole numbers without any decimals making 100 percent.
 - In the event of Unitholder not indicating the percentage of allocation / share for each of the nominees, the Mutual Fund / the AMC, by invoking default option shall settle the claim equally amongst all the nominees.
5. Nomination for units held in electronic (Demat) Mode
 - As regards mutual fund units held in electronic (demat) mode with a depository, the nomination details provided by the Unitholder to the depository will be applicable to the mutual fund Units held in demat mode.
 - Such nomination including any variation, cancellation or substitution of Nominee(s) shall be governed by the rules and byelaws of the Depositor
6. Nominations are at folio/account level and not at scheme level.
7. In case of fresh nominee registrations, existing nominee details is overwritten across the schemes under the folio.
8. Nomination in respect of the units stands rescinded upon the transfer of units/transmission.
9. On cancellation of the nomination, the nomination shall stand rescinded and Invesco Asset Management Company shall not be under any obligation to transfer the units in favor of the Nominee.
10. In case investors do not wish to nominate for specific folio / account, they should select the option - "I do not intend to nominate" and sign on the application form.
11. Death of Nominee/s:
 - In the event of the nominee(s) pre-deceasing the unitholder(s), the unitholder/s is/are advised to make a fresh nomination soon after the demise of the nominee.
 - The nomination will automatically stand cancelled in the event of the nominee(s) pre-deceasing the unitholder(s).
 - In case of multiple nominations, if any of the nominee is deceased at the time of death claim settlement, the said nominee's share will be distributed equally amongst the surviving nominees
12. In respect of folios/accounts where the Nomination is registered, the AMC will not entertain any request for transmission / claim settlement from any person other than the registered nominee(s), unless so directed by any competent court/ legal authority.

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