



Navigating the transmission of mfs after a loved one's demise

By Namrata Patel

While the transmission of mutual fund investments is a fairly easy albeit long process, the lack of registered joint holders or nominees can make it complicated. The transmission process highlights the need for investors to always appoint joint holders or nominees for all investments, maintain records of the investments and keep the beneficiaries informed of all investments.

What is transmission?

Transmission is the process of transferring ownership of mutual funds on the death of a unit holder. It is done so that if the first holder passes away, units can be transferred to the second holder and in case a single holder passes away, the units can be transmitted to the nominee or legal heir.

If the deceased had made the mutual fund investments through a broker, mutual fund distributor or any other intermediary, the survivors can take the help of the intermediary.

However, what happens when the survivors have no idea about the investments of the deceased? How does the survivor then ensure the mutual fund investments of the deceased go to the rightful joint holders and nominees? Let's have a look.

Getting the details

The two popular registrar and transfer agents (RTAs) in India, CAMS and KFinTech (Karvy), give investors a single-window reference for all their mutual fund investments. RTAs help investors with KYC, documentation and change of personal details. Between them, CAMS and KFinTech handle the documentation of a majority of fund houses in India. A quick search on the respective websites will indicate the fund houses covered by each RTA.

To start the process of transmission, survivors first need the details of all the investments of the deceased. To obtain these details, it is necessary to have access to the deceased's email address or phone number. Without such access, it becomes difficult to collect the requisite information, as at multiple occasions OTPs are sent to the registered email address and phone number.

To obtain the details of the mutual fund holdings of the deceased across different fund houses, the survivors can generate a consolidated account statement (CAS) through the website of any RTA. From the CAS, the survivors can obtain the following details.

1. List of all mutual fund investments with fund and scheme name.
2. Folio numbers of each investment.

However, the process of transmission also requires the following details (not provided in the CAS).

1. Names of primary holder, joint holder and nominee for each investment.
2. Details of the bank account linked to each investment.

In case the survivors or joint holders are not aware of the above details, some additional effort needs to be taken. With the help of the deceased's PAN card number and access to the deceased's email address or mobile device,

the survivor will have to individually visit the websites of each fund house in which the investments have been made, and procure these details.

After having all the above-mentioned details handy, the survivors can go about with the process of transmission without too many complications

Transmission process

The next step is to visit the CAMS or KFintech websites and download the necessary forms from the 'transmission' sections. The survivors must then prepare a file of all filled forms and supporting documents for each fund house. It is important to keep in mind the quantum of investments, as the list of supporting documents differs depending on the size of investment and the joint holders/nominees appointed by the deceased.

While the filled form and original death certificate or a copy of the attested death certificate are required for all transmissions, depending on the situation, bank mandate, cancelled cheque, PAN card of joint holders/nominees and further supporting documents may be required.

The RTA websites clearly mention the list of supporting documents required and the instructions must be followed to avoid any rejections.

After preparing a separate docket of transmission form and supporting documents for each fund house, the survivors must submit it at the nearest CAMS or KFintech service centre.

On submission of the transmission forms and supporting documents, the fund house can take five to 10 working days to process the request.

What happens if the survivors have no access to the deceased's email address or phone number?

In such cases, the process is longer. The first thing the survivors need to do is visit the nearest CAMS or KFintech service centre along with the PAN card and death

certificate of the deceased. They may also be required to furnish some proof that they are the legal nominees or survivors of the deceased. On visiting the service centre, they will be able to not only procure the details of investments but will also be provided the forms that need to be filled and submitted for transmission of MF investments.

What next?

Once the fund houses complete the transmission process, the survivor is faced with a bigger responsibility.

Vishal Dhawan, founder and CEO of Plan Ahead Wealth Advisors, explains, "The first two steps in the transmission process—getting an inventory of mutual fund investments of the deceased and form submission—are fairly standardized. The next step wherein the survivors actually receive the money is the step that needs great thought and measured decision-making."

"Usually inertia sets in or the survivors are simply unaware of what to do with the assets inherited. A prudent solution would be to approach a qualified financial adviser to understand the survivors' life stage and requirements. It is important to keep in mind that besides mutual funds, the survivor may also receive income from other assets like real estate, fixed deposits, etc., and thus the investment decisions with respect to the mutual fund transmission must be part of a larger picture," Dhawan says