

Ministry of Corporate Affairs and IEPFA further simplify IEPFA Claim Settlement Process towards Ease of Doing Business and Ease of Living

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In a major step towards the mission and vision of Government of India of Ease of Living and Ease of Doing Business, Ministry of Corporate Affairs (MCA) has further simplified claim settlement process through rationalization of various requirements under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

For claimants, requirement of Advance Receipt has been waived off, requirement of Succession Certificate/ Probate of Will/ Will has been relaxed up to Rs 5,00,000 (five lakh) both for Physical & DEMAT shares, notarization of documents has been replaced with self-attestation and requirements of Affidavits and Surety relatively have been eased.

For companies, requirement of attaching documents related to Unclaimed Suspense Account has been eased and companies have been given flexibility to accept transmission document viz. Succession Certificate, Will etc. as per their internal approved procedures and Newspaper Advertisement requirement for loss of physical Share Certificate has been waived off up to an amount of Rs.5,00,000.

The focus of the change has been to make the process simpler and quicker for the claimants. The new regime envisages a trust-based model for faster citizen centric services and turnaround time. It is expected that with these changes many more claimants shall come forward to claim their shares and amounts from Investor Education and Protection Fund Authority (IEPFA). Till date IEPFA has approved more than 20,000 claims refunding more than 1.29 crore shares. Shares of market value of more than Rs 1,011 crore and dividends and other amounts exceeding Rs 20 crore have been refunded.

ABOUT IEPFA

Investor Education and Protection Fund Authority (IEPFA) has been established under Section 125 of the Companies Act 2013 for administration of the IEPF fund as per section 125 (3) of Companies Act 2013. The main objective of the authority includes to promote Investor Education, Awareness & Protection, refund unclaimed shares, dividends and other amounts transferred to it under sections 124 and 125 of the Companies Act 2013 to the rightful claimants. IEPFA works under the administrative control of MCA.

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