

These Tools Empower Investors In Operating Demat Accounts Safely

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A demat account enables the use of electronic means to facilitate investors in holding and ensuring smooth, faster and secure trading, investing and monitoring of shares. The growth of demat accounts is evident, as almost 50 lakh new investors have joined the capital markets from April to September. While opening a demat account has become simpler with online facilities, we also endeavour to empower investors with facilities that new investors might not be aware of.

Some of these tools are:

1. Depository Mobile Applications

While most investors use mobile applications provided by their depository participants (DPs), it is not widely known that the depositories also offer mobile applications, which are easily available, that enable investors to access their account balance, confirm the electronic delivery instruction slip (eDIS) and participate in e-voting etc. The application also helps investors reconcile their holdings with that available on the depository participant's application.

2. SMS/Email Facility

Increase in online frauds has necessitated investors to sign up for the SMS and email facilities directly with the depositories. Such facilities ensure that an SMS alert for all types of modifications, debit and credit transactions, IPO allotments and corporate action etc is sent to the beneficiary owner.

3. Other Operational Facilities

- **Nomination Facility:** It is advisable for all new investors to avail the said facilities provided by depositories. The nomination facility, like in any other investment, helps seamless transfer of ownership in case of any unfortunate event.
- **Know Your Client (KYC):** Registration in the KYC Registration Agency (KRA) system is mandatory and is a one-time exercise while dealing in securities markets. The KYC registration is done by an intermediary. Once your KYC is registered in the KRA system, you need not undergo the same process again while approaching another intermediary in the securities market.
- **eDIS:** An investor authorises to debit its demat account through Power of Attorney, Delivery Instruction Slips etc. However, with the new sophisticated technology available, depositories provide an electronic instruction platform, which generates a Transaction Personal Identification Number (TPIN)-based mechanism for authentication of eDIS transactions by the depository. This is similar to the process followed for e-payments while making e-commerce transactions.

These tools empower the investor, making the experience of operating a demat account and investing in financial markets hassle-free, independent and safe.

<https://www.ndtv.com/business/opinion-these-3-tools-can-benefit-investors-while-opening-an-account-2323639>