



Association of Mutual Funds in India

AMFI/ 35P/ MEM-COR/ 48 / 2022- 23

September 28, 2022

To,
All AMFI Members

Dear Members,

Sub: Folios without PAN / PEKRN (PAN exempted KYC Reference Number)

As stipulated in para 3.5 of SEBI's letter no. SEBI/HO/OW/IMD/PoD/P/2022/ 48112 /1 dated September 12, 2022 on the captioned subject received by AMFI, as regards to the efforts to be made by AMFI, AMCs and the RTAs to reach out to the investors through electronic campaign, please find below the plan shared with SEBI.

Proposed Action	Addressed to	To be actioned by	Timelines
1. SMS to concerned investors informing them about the deadline and consequences	Investors	AMCs through RTAs	Monthly, starting from Oct. 2022
2. Email/letter to concerned investors informing them about the deadline and consequences mentioned at points 3.3 and 3.4 of SEBI letter			
3. Emailers to the concerned MFDs (whose clients have folios without PAN/ PEKRN) informing them about the deadline and consequences	Empanelled MFDs	AMCs through RTAs	
4. Website Banner on AMC website	Public / investors	AMCs	10-Oct-2022
5. Website Banner (AMFI's website)	Public / investors	AMFI	10-Oct-2022
6. Social Media posts - Twitter, Facebook & Instagram			From Oct. 2022

Point #1,2,3, and 4 have to be actioned by AMCs strictly within the timelines mentioned above. Please also find attached the drafts of the emailers to be sent to Investors and Empanelled MFDs.

With Regards,

Sincerely,

Punit Dharamsi
Sr. Vice President

(Draft of Email to be sent by AMCs to the Unitholders whose folios are without PAN / PEKRN)

To,
<<Name of Unitholder >>
<<Address>>

Dear Sir/Madam,

Sub: Folios without PAN / PEKRN (PAN exempted KYC Reference Number)

1. As per SEBI circular MRD/DoP/Cir- 05/2007 dated April 27, 2007 SEBI had mandated PAN as the sole identification for all the transactions in the securities market irrespective of the amount of transaction with effect from July 02, 2007.

Further, SEBI has provided an exemption from requirement of PAN for micro financial products (i.e., investments up to ₹50,000 per MF per year) and for investors residing in the state of Sikkim. Such investors are required to provide alternate proof of identity in lieu of PAN for KYC purposes and are allotted PAN-exempt KYC Reference Number (PEKRN).

2. In this regard, it has been decided by SEBI as follows :
 - a. No investments (Systematic transaction, lumpsum, redemption) shall be permitted in such folios wherein PAN/ PEKRN details are not available.
 - b. All necessary steps shall be taken to populate such folios with PAN or PEKRN (as may be applicable) before March 31, 2023 by obtaining PAN / PEKRN from the concerned unitholders.
 - c. Thereafter, such non-compliant Non-PAN and Non-PEKRN folios will be liable to be frozen from April 01, 2023.
 - d. Further, non-investor-initiated transactions such as dividend pay-out, if any, declared by the Mutual Fund schemes shall also be disallowed. AMCs shall send the intimation to the concerned unitholders that such payment is due and shall be made electronically only upon complying with the PAN/PEKRN requirements.
 - e. Unitholders whose folio(s) has/have been frozen due to the above requirement shall be able to (permitted to) lodge grievance or avail service request only after furnishing the above details.

It is observed from our records that PAN / PEKRN (as may be applicable) has not been provided in respect of your following folios:

Sr. No.	Name of Sole/1 st Unitholder	Folio Number	Name of the Scheme

Please note that the PAN / PEKRN (as may be applicable) needs to be provide in respect of all joint holders. You are therefore requested to provide your PAN/PEKRN as may be applicable, in respect of yourself and all joint unitholder (if applicable) using the attached service request form on an urgent basis so as to avoid any inconvenience to yourself / yourselves.

With regards,

For <<name of the AMC>>,

Authorised signatory

On AMC letter head

To,
<<Name of MFD >>+ (ARN)
<<Address>>

Dear Sir/Madam,

Sub: Folios without PAN / PEKRN (PAN exempted KYC Reference Number)

3. As you may be aware, as per SEBI circular MRD/DoP/Cir- 05/2007 dated April 27, 2007 SEBI has mandated PAN as the sole identification for all the transactions in the securities market irrespective of the amount of transaction with effect from July 02, 2007. Further, SEBI has provided an exemption from requirement of PAN for micro financial products (i.e., investments up to ₹50,000 per MF per year) and for investors residing in the state of Sikkim. Such investors are required to provide alternate proof of identity in lieu of PAN for KYC purposes and are allotted PAN-exempt KYC Reference Number (PEKRN).
4. In this regard, it has been decided by SEBI as follows :
 - f. No investments (Systematic transaction, lumpsum, redemption) shall be permitted in such folios wherein PAN/ PEKRN details are not available.
 - g. All necessary steps are to be taken to populate such folios with PAN or PEKRN (as may be applicable) before March 31, 2023 by obtaining PAN / PEKRN from the concerned unitholders.
 - h. Thereafter, such non-compliant Non-PAN and Non-PEKRN folios will be liable to be frozen from April 01, 2023.
 - i. Further, non-investor-initiated transactions such as dividend pay-out, if any, declared by the Mutual Fund schemes shall also be disallowed. AMCs shall ensure that intimation is sent to the unitholders that such payment is due and shall be made electronically only upon complying with the PAN/PEKRN requirements.
 - j. Unitholders whose folio(s) has/have been frozen due to the above requirement shall be able to (permitted to) lodge grievance or avail service request only after furnishing the above details.

It is observed from our records that the unitholders under your ARN as per appended list are yet to provide their PAN / PEKRN (as may be applicable).

While we have already sent a suitable communication to all such unitholders, you are advised to reach out to your clients urgently and ensure that they provide their PAN/PEKRN (as may be applicable) using the attached service request form) well before the deadline of March 31, 2023.

Needless to mention here that the PAN / PEKRN (as may be applicable) needs to be provided in respect of all joint holders.

With regards,

For <<name of the AMC>>,

<<Name & designation>>/ Authorised signatory