

## **PAN (Permanent Account Number) for mutual fund investments**

Mutual Funds are regulated by SEBI (Mutual Fund) Regulations, 1996 and various circulars issued by SEBI from time to time.

### **Background**

As per the requirements specified by SEBI in respect of “Anti Money Laundering (AML) Standards/Combating Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under Prevention of Money Laundering Act, 2002 and Rules framed thereunder”, maintenance of all documentation pertaining to the unitholders/ investors is the responsibility of the Asset Management Company (AMC).

SEBI, vide its Circulars ref. no. ISD/AML/CIR-1/2008 dated December 19, 2008 and ref. no. SEBI/IMD/CIR No.12 /186868 /2009 dated December 11, 2009, has advised AMCs to maintain all investor related documents including the PAN.

Further, SEBI, in its letter dated July, 30, 2019 addressed to The Chairman, Association of Mutual Funds in India (AMFI), has voiced adverse view with respect to the following practice observed by it during its inspection of Mutual Funds and suggested that AMCs should avoid such practices lest, they will be subject to a strict action by the regulator:-

- Redemptions are processed for non-PAN exempt existing folios without getting PAN details which is not in line with various SEBI circulars.

Principal Asset Management Private Limited – investment manager to the schemes of Principal Mutual Fund – has always strived to be fully compliant with the letter and spirit of the provisions stated in SEBI (Mutual Fund) Regulations, various circulars and any other communication in the form of directive issued by SEBI.

In this regard, we observe from our records, that PAN of unit holders is not available for few investor folios maintained with us. Going by the above, absence of PAN in the folio, will require us to restrict any future transaction, including redemptions. Hence, request you to kindly update the PAN for self and other joint holders, if any, in the folio to avoid any restriction of redemptions.

You can update the PAN, in any of the below modes:

- a) Physical mode - Provide a written letter, quoting the folio number, names of all the holders and their respective PAN. Also enclose a self-attested copy of each of the PAN cards. Submit the documents to the nearest service centre of Karvy. (list available on [www.principalindia.com/contact](http://www.principalindia.com/contact) us
- b) Digital mode - Visit our website: [www.principalindia.com](http://www.principalindia.com) and click on ‘Update PAN’ on the home screen. Select Principal Mutual Fund from the drop down of fund names, enter your folio, fill the name and PAN of each of the holders and upload a scanned image of the self-attested PAN card.

In case you need any assistance in this regard, please feel free to write to us [customer@principalindia.com](mailto:customer@principalindia.com) or you may call us @ 1800 425 5600 to know about the requirement.

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