

## Important Notice to Mutual Fund Unit Holders

### Providing Nomination details in MF folios/ PAN – Adhar linkage/ KYC –Contact Details updation / Guidelines for Minor as Investor under ARN-0058- IDBI Bank Ltd

#### I. Nomination

In accordance with SEBI Circulars #SEBI/HO/IMD/IMD-II DOF3/P/CIR/2022/82 dated Jun 15, 2022, and SEBI/HO/IMD/IMD-I POD1/P/CIR/2023/47 dated Mar 28, 2023, in case of existing individual unit holder(s), who haven't registered their nomination / opting out of nomination, before Sep 30, 2023, their folios will be frozen for any debits including redemption. [Redemption, Switch and Transactions of already registered Systematic Transfer Plans (STP) / Systematic Withdrawal Plans (SWP) will not be allowed].

Further, SEBI vide its Circular dated **September 27, 2023** extended the timeline for submission of nomination in MF folios till (old time lines December 31, 2023). SEBI vide its circular dated December 27, 2023 Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/193 has extended the time for nomination registration till **June 30, 2024**

For folios created on or after 1st October 2022 the above rules are already implemented.

#### **Online Nominee details or Nominee opt-out declaration**

To facilitate seamless updation of nomination (Opt-in/Opt-out), customers are requested to choose either of the following options available to them:

<b>Investor Servicing Platforms</b>	<b>Particulars</b>
KFintech	Investors can <a href="#">Click here</a> to update the details <b>ONLINE</b> on the KFIN MFS website <i>(Online facility can be used only when PAN is registered in the Folio and either Email or mobile is registered in the folio. For folios with Joint holders, contact details available in the KYC records will be used for joint holders and OTP validation from all the holders is mandatory to update the details online)</i> <b>OR</b> Investors can <a href="#">Click here</a> to download the nomination form. Please submit the duly filled form signed by all the unit holders at your nearest Designated Investor Service Center (DISC)

CAMS	Investor can login to below link and update the nominee/opt out details  URL: <a href="https://www.camsonline.com/Investors/Service-requests/Nomination/Nomination-Opt-in_&amp;_Opt-out">https://www.camsonline.com/Investors/Service-requests/Nomination/Nomination-Opt-in_&amp;_Opt-out</a>
IDBI Bank Branch or Nearest MF Investor Service Centre	Submit physical forms

If the nomination is not registered / opted out, then all debits like Redemptions / SWP / Switch / STP shall not be permitted in those folios from **1st January 2024.**

## II. PAN-Adhar linking

Non-linking of Adhar with PAN before the date specified by the Government (i.e., June 30, 2023 as of now), shall make the PAN 'inoperative'. On PAN becoming "inoperative", it tantamount to investor not furnished, intimated, or quoted PAN, and accordingly shall be liable for consequences under the Act.

Moreover, non-linking of PAN-Adhar would be considered as non-KYC compliant, and there could be restrictions on financial and non-financial transactions in Mutual Funds until PAN and Aadhaar are linked. Customers are requested to link their PAN with Adhar at the earliest to ensure continuity in transactions in Mutual Fund folios.

### Action taken against different types of transactions since 1<sup>st</sup> July 2023:

Transaction type	Physical / Online (AMC/RTA) / Exchange (Non-Demat) / Channel / MFU / MFC
Prospect Folio	Not allowed
Fresh Purchase	Not allowed
Additional Purchase	Not allowed
Redemption	Not allowed
Switch	Not allowed
Transfers	Not allowed
IDCW Payout	Higher TDS & payout will be moved to unclaimed scheme
IDCW Reinvestment	Higher TDS with UDRS allotment
IDCW Transfer	Higher TDS with UDRS allotment
Systematic Registration	Not allowed
Systematic Triggers	Not allowed
Systematic Transfers	Not allowed
NFTs	Not allowed
Form 15 G/H	Not accepted
Brokerage Payment to Distributor	Stopped
Complaint Lodgment	Not allowed

Further, please note that PAN-Adhar linking status as per Income Tax database will be the key factor in allowing further financial and non-financial transactions and not based on the information available in MF/RTA records or based on any declaration. If the investor has already completed the linking, the same will be independently validated from the Income Tax database as on 1<sup>st</sup> July 2023 or thereafter. Accordingly, Mutual Fund transactions shall be allowed, as appropriate.

**To link Adhar with PAN**, investors can [Click here](#) to visit the Income Tax e-filing portal and link their Adhar with PAN immediately. {Please keep your mobile phone handy to receive and submit the OTP (One Time Password) during the process}.

**To check the status** of linking of Adhar with PAN investors can [Click here](#)

**Note to NRI Investors:** Further, the above provisions shall not apply to a non-resident under Indian Tax Laws (please note that the declaration of tax status made to Mutual Funds is not interlinked with tax status as per income tax). As per the status appearing in the database of the Indian revenue authorities (IRA), the tax status is appearing as 'resident' and accordingly, where the PAN and Aadhaar is not linked on or before 30 June 2023, the PAN shall become inoperative, and the above stated consequences shall apply. We request investors to refer to the income tax regulations in this regard and reach out to their tax consultant to have their PAN linked with their Aadhaar on or before 30 June 2023 or have the tax status updated as 'non-resident' (where applicable) with the IRA to ensure smooth processing of taxation formalities.

### III. Mandate Duration & Final Collection Date

As per National Payments Corporation of India (NPCI) Circular dated 18<sup>th</sup> August 2023 on mandate duration and final collection date, following are the measures being taken by NPCI and the same shall be applicable for all mandates w.e.f. **1<sup>st</sup> October 2023:**

- i. A mandate (Physical / Electronic) shall now have a maximum **duration of 30 years from the date of issuance**. Validation will be built in system to accept only the mandates that are for a duration of 30 years or below.
- ii. **Final collection date (end-date) of mandate shall be mandatory** and investors can no longer choose the 'Until Cancelled' option and the same will be removed for all categories of mandates.

Hence, it is mandatory to update the FROM & TO date for all NACH mandates and duration should be less than or equal to 30 years.

### IV. KYC On-hold due to Invalid Contact Detail(s) i.e, mobile number & email id

Under the extant SEBI guidelines, KRAs are required to validate the email ID and mobile number uploaded to KRAs (for all the existing as well as new), by SEBI Registered Intermediaries (RIs), where KYC has been completed using Adhar as an OVD. KRAs shall validate Mobile and Email by performing OTP validation. If OTP is not submitted by client, KRA may validate the same based on delivery notification report.

SEBI has advised that, if KRAs are not able to validate the contact details, for all such cases, KYC status shall be changed to “On-Hold” with effect from Aug 18, 2023. Hence, all such investors shall be allowed to transact in the Securities market, only after their KYC is validated.

As per SEBI Circular SEBI/HO/MIRSD/FATF/P/CIR/2023/0144 dated Aug 11, 2023, the records of all existing clients whose KYC has been completed based on OVDs other than Adhar, shall be verified within a period of 90 days wef Sep 01, 2023. Accordingly KRAs shall validate the Email id / Mobile number of the KYC registered investors, and if KRAs are unable to validate the contact details, such KYC records will be moved to **“On Hold”** with effect from **December 01, 2023** and such investors shall be allowed to transact in the Securities market only after their KYC is validated.

Customers /Investors should immediately update their correct / valid email id / mobile number, to remediate their KYC.

Customers/Investors to submit a duly filled and signed KYC Modification Form to IDBI bank branches or to the nearest Investor Service Center immediately.

Additionally customers/investors can click on the links below to download the Form(s) across the respective/applicable KRA(s) as required:

<https://kra.ndml.in/kra-web/jsps/menu/Downloads.htm>

<https://www.cvlindia.com/Downloads/Downloads>

[https://www.nsekra.com/Launch/kra\\_download.aspx](https://www.nsekra.com/Launch/kra_download.aspx)

<https://www.bsekra.com/downloads.html>

<https://camskra.com>

Alternatively, customers/investors can also check and validate their contact details online by visiting the respective KRA's websites as given below.

CVL - [CVL | KRA Verification \(cvlindia.com\)](https://www.cvlindia.com)

CAMS KRA - [CAMS KRA - KYC Registration Agency for Mutual Funds](https://www.camskra.com)

NDML - [Client Initiated KYC Web \(ndml.in\)](https://www.ndml.in)

KDMS - [Know Your Status \(karvykra.com\)](https://www.karvykra.com)

KRA - KYC Registration Agency (KRA) is an agency registered with SEBI under the Securities and Exchange Board of India [KYC (Know Your Client) Registration Agency] Regulations, 2011. The KRA will maintain KYC records of the investors centrally, on behalf of capital market intermediaries registered with SEBI.

## **V. Investment in units of Mutual Funds in the name of minor through guardian**

SEBI vide its Circular dated May 12, 2023 has advised the following changes with regards to investment in units of MF in the name of minor through guardian and the same is effective from June 15, 2023:

- i. Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, investors are requested to submit form for change of Pay-out Bank mandate with the required documents before submission of redemption request.
- ii. Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, the account the minor may hold with the parent/ legal guardian after completing all KYC formalities.

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