

Dear Mr. Venkatesh,

We refer to the recent actions initiated by AMFI in respect of the KYC/PAN updation. We would like to place on record our appreciation of the steps taken by AMFI in this regard.

Our members, the distributors, have also on their part, been pushing the relevant investors/ folio holders to update their KYC/PAN.

A feedback received from our members has been that

1. Some of the folio holders /NRI refuse to provide or comply with this requirement stating that they have not received any such communication from the mutual fund/AMC. We understand that AMFI has already asked AMCs to send a written communication to the relevant folio holders on the requirement to complete the pending KYC updation. We assume that the communication would clearly spell out to the investors that their redemption or other payouts like dividends or any further investments would be disallowed until such updation happens.
2. It would also help if the AMCs could mark a copy of this communication also to the distributors, so that the feedback provided in respect of the investors being pushed for the KYC only by the distributors is taken care of.
3. Another feedback received has been that the distributors have submitted the KYC/PAN data already provided to the RTAs have not been updated- files remain pending since there seems to be no pressure on the RTAs or penalties to them. In one case brought to our notice, after our representative spoke very strongly to one of the RTAs, the pending updation was taken up. To avoid this situation, we suggest that the RTAs be mandated to complete the updation of the data sent to them, in a time bound manner. Any delay by the RTAs should make them liable to penalties or actions from the regulators.
4. It is also observed that there are case where the clients are common in most of the AMC and in some case the investor is a old investor and the PAN is already there in the folio.... the AMCs have not mandated the RTA agents to map the PAN Numbers.
5. There have been cases where the IFAs have brought to our notice that many women investors whose divorce petition is yet pending and want to keep the entire petition on hold.
6. There have been many cases where there is mismatch of names Aadhar, PAN and Bank records due to some suffix added to the names e.g. Bhai, Ben, Kumar etc.

7. The RTA agents insist now that if the KYC must be updated, they want along with the KYC a PAN Card copy self-attested of the investor. The IFAs have brought to our notice that many cases have been rejected by the RTA saying signature is mismatch. As these are folio's are 15 years old, there would be some signature mismatch, they refuse to match on the PAN number.
8. In several cases a small amount invested has now grown to sizable amount. Many investors have apprehension that if PAN is provided, they may be subject to IT Scrutiny. In such cases a lot of persuasion and co-ordination with their tax consultant is required which is a tedious process.
9. We are happy to note that the action plan initiated by AMFI stipulates a deadline of July 15, 2019 for extraction of information before the de-duplication exercise to be completed by July 31, 2019. It would be useful if an update on this as well as the confirmation by the RTAs of updating all PAN/KYC data already provided is shared with us. This will help us in clarifying to our members that the RTAs have completed the data update.

We assume that the action plan and the timelines for completion by various agencies – RTAs, AMCs etc has been well publicized so that all concerned are aware about the urgency of completion their part of the tasks. If not, we suggest doing so through the newspaper advertisements/ notifications.

On our part, our members would continue to push for provision of the pending PAN/KYC data in a time bound manner.

We would also request you to give us an appointment to personally meet you and discuss the matter further.

Thanking you,

Regards,

Roopa Venkatkrishnan



Secretary

**FOUNDATION OF INDEPENDENT FINANCIAL ADVISORS**

16A, 16<sup>th</sup> Floor, Nirmal,

Nariman Point, Mumbai 400021

T: +91 22 4971 7201

Email: [callroopa.venkat@gmail.com](mailto:callroopa.venkat@gmail.com)