

Starting 1<sup>st</sup> Oct, 2010, online Mutual Fund investors are required to submit a copy (xerox or scanned) of KYC registration receipt (CVL registration receipt) to the nearest IDBI capital branches or the online Mutual Fund team at HO or customer care team at [custcare@idbipaisabuilder.in](mailto:custcare@idbipaisabuilder.in) on immediate basis.

Please note that as per SEBI guidelines dated 1<sup>st</sup> Feb, 2010, it is mandatory for all intermediaries to obtain the minimum client information/documents (KYC) as stipulated in PMLA Rules / SEBI Circular irrespective of the amount of investment made. In other words, there shall be no minimum investment threshold/category-wise exemptions for carrying out Clients Due Diligence (CDD) measures (KYC) by registered intermediaries.

In view of the above, it is incumbent upon all Mutual Fund investors to submit the required KYC registration documents on immediate basis, failing which the respective AMCs are liable to reject the mutual fund transactions of the investor.

#### KYC Registration Process

To facilitate the KYC or CVL registration, Association of Mutual Funds in India (AMFI), along with all mutual funds, has made arrangements with CDSL Ventures Ltd (CVL) to undertake the centralized record keeping of KYC documents. The individual investor can contact the nearest offices of CAMS, Karvy or authorized POS of CDSL along with the following documents-

- (1) Proof of Identity
- (2) Proof of Address
- (3) PAN Card
- (4) Photograph

For application & list of documents, log on to [www.cvlindia.com/include/pdf/KYC%20Individual.pdf](http://www.cvlindia.com/include/pdf/KYC%20Individual.pdf)

The originals of these documents along with a copy each should be presented and the original will be returned after verification. Alternatively, investors can also provide an attested true copy of the relevant documents. Attestation could be done by Notary Public/ Gazetted Officer/ Manager of a Scheduled Commercial Bank.

On completing the one-time process of common standard KYC with CVL, investors can transact across multiple mutual funds without having to repeatedly submit documents with each mutual fund.

You can walk in to our nearest branch or contact our customer service desk on **1800-22-3366 / (+022) 3913 5001** to facilitate the KYC registration.



## FAQ's – Know Your Customer (KYC)

Know-your-client (KYC) procedure - Frequently asked Questions (FAQ)

Guidelines issued by Securities and Exchange Board of India under The Prevention of Money Laundering Act, 2002 ("PMLA") requires Mutual Funds to follow enhanced know your client (KYC) norms. This FAQ is only meant to clarify certain questions relating to enhanced KYC procedures. Please contact your distributor/ DSP Merrill Lynch Mutual Fund for further clarifications.

### What is KYC?

KYC is an acronym for "Know your Client", a term commonly used for Client Identification Process. SEBI has prescribed certain requirements relating to KYC norms for Financial Institutions and Financial Intermediaries including Mutual Funds to 'know' their clients. This would be in the form of verification of identity and address, financial status, occupation and such other personal information. Applicant must be KYC compliant while investing with any SEBI registered Mutual Fund.

### What are the KYC requirements for a Mutual Fund Investor?

Individual investors will have to produce his Proof of identity (Photo PAN card copy or PAN card copy and copy of the passport, driving license etc ) and Proof of Address (any valid documents listed in section B of the KYC Application Form for Individuals). Non -Individual Investors will have to produce certain documents pertaining to its constitution/registration to fulfill the KYC process. A list of Mandatory Certified Documents to be submitted can be found in section C of the KYC application form for Non-Individual Investors.

### Where and how does one get to be KYC Compliant? Does the investor have to repeat the KYC process with every Mutual Fund?

The Association of Mutual Funds of India (AMFI) has facilitated a centralized platform through CDSL Ventures Limited ("CDSL"), a wholly owned subsidiary of Central Depository Services (India) Limited, to carry out the KYC procedure on behalf of all Mutual Funds. CVL through its Points of Service (POS) will accept KYC Application Forms, verify documents and provide the KYC Acknowledgement (across the counter on a best effort basis). The list of PoS will be displayed on the websites of Mutual Funds, CDSL and AMFI. Once the KYC is duly completed in all regards, the investor needs to produce a copy of the acknowledgement when investing for the first time with a Mutual Fund. There is no need to repeat the KYC process individually for each mutual fund.

### What is a KYC Application Form?

A KYC Application Form has been designed for Individual and Non-Individual Investors separately. These forms are available on the website of mutual funds, AMFI and Central Depository Services (India) Limited (CDSL). You may also approach your distributor for a form. It is important to read the instructions printed on the KYC Application Form while filling-up the form.

### Should the investor visit PoS personally to obtain KYC Compliance?

No. If the investor is not in a position to visit PoS personally, the KYC Application Form along with the necessary documents (including originals if the copies are not attested) can be sent through the distributor or representative, who can arrange to complete the KYC process and obtain the KYC Acknowledgement through any of the PoS.

### From what date is it mandatory for an investor to be KYC Compliant?

With effect from 01 February 2008, any investor investing Rs. 50,000 and above would be required to complete the KYC process.

### To whom is a KYC applicable? Is there any exemption?

Currently, all investors (Individuals or Non Individuals) who wish to make an investment of Rs. 50,000 or above in a

mutual fund scheme will be required to complete the KYC process. This would also apply to new Systematic Investment Plan (SIP) registrations on or after 01 February 2008, if each SIP installment is of value greater than or equal to Rs.50,000. Please find the list of personnel who are required to be KYC compliant:

**Joint Holders:** Joint holders (including first, second and third if any, are required) to be individually KYC compliant before they can invest with any Mutual Fund. . e.g. in case of three joint holders, all holders need to be KYC compliant and copies of each holder's KYC Acknowledgement must be attached to the investment application form with any Mutual Fund.

**Minors:** In case of investments in respect of a Minor, the Guardian should be KYC compliant and attach their KYC Acknowledgement while investing in the name of the minor. The Minor, upon attaining majority, should immediately apply for KYC compliance in his/her own Capacity and intimate the concerned Mutual Fund(s), in order to be able to transact Furthering his/her own capacity.

**Power of Attorney (PoA) Holder:** Investors desirous of investing through a PoA must note that The KYC compliance requirements are mandatory for both the PoA issuer (i.e. Investor) and the Attorney (i.e. the holder of PoA), both of whom should be KYC compliant in their independent Capacity and attach their respective KYC Acknowledgements while investing.

**For transmission (IN case of death of the unite holder):** If the deceased is the sole applicant, the claimant should submit his/her KYC Acknowledgement in the request along with the other relevant documents to effect the transmission in his/her favors.

#### **How does the investor transact in Mutual Fund after completing the KYC process?**

Investors must attach their KYC Acknowledgement along with the Investment Application Form(s) / Transaction Slip(s) while investing for the first time in a mutual fund. Applications Forms / Transaction Slips not accompanied by KYC Acknowledgement are liable to be rejected by the Mutual Fund. If you do not obtain a KYC Acknowledgement, you will not be able to invest Rs. 50,000 or more in a mutual fund.

#### **In case of existing investors when and how will the KYC norms be introduced?**

KYC norms are applicable to all investors. It is in the interest of all Investors to obtain KYC Acknowledgement and submit it to the Mutual Fund to avoid any inconvenience in future.

#### **Once an account is opened with a Mutual Fund by 1st, 2nd & 3rd holder by completing the necessary formalities and the investor's return to make a fresh investment, do they need to furnish the necessary documents again?**

Investors must attach their KYC Acknowledgement along with the Investment Application Form(s) / Transaction Slip(s) while investing for the first time in a Mutual Fund.

#### **What are the consequences of KYC cancellation/rejection?**

In the event of any KYC Application Form being found deficient for lack of information / insufficiency of mandatory documentation, further investments of Rs 50,000 or more will not be permitted.

#### **Does the KYC Acknowledgement have an expiry date?**

No. Once the KYC Acknowledgement is obtained and informed to a Mutual Fund, it will be registered against the folio and quoted in all future account statements. The same will exist in perpetuity, unless cancelled by CVL.

#### **What happens if I have multiple folios/ accounts with a Mutual Fund?**

You can inform the Mutual Fund to update the KYC Acknowledgement against all the folios/accounts you have with it. However, each of the holders in these folios/accounts should be KYC Compliant.

### **Is there a charge I need to pay to get myself KYC Compliant?**

Currently, KYC is done free of cost.

### **I am an NRI residing outside India. How do I get myself KYC Compliant?**

The soft copy of these KYC forms will be made available on the website of all mutual funds, AMFI and Central Depository Services (India) Limited (CDSL). You may also approach your distributor for a form. The same duly completed along with the necessary attested documents can be submitted at the PoS or mailed to your representative or Distributor who can complete the KYC formalities for you.

### **Are there any special requirements for an NRI?**

Yes. In addition to the certified true copy of the passport, certified true copy of the overseas address and permanent address will also be required. If any of the documents (including attestations/ certifications) towards proof of identity or address is in a foreign language, they have to be translated to English for submission. The documents can be attested, by the Consulate office or overseas branches of scheduled commercial banks registered in India.

### **Is there any special requirement for a PIO (Person of Indian Origin)?**

The requirements applicable to an NRI will also apply to a PIO. However, additionally, he will need to submit a certified true copy of the PIO Card.

### **What about Minor becoming Major?**

Upon a Minor attaining the age of majority (i.e. on completing 18 years of age), he/she must be KYC Compliant and have KYC Acknowledgement of their own. The same should be informed to the Mutual Fund where he/she holds an investment, along with other details such as the Bank Details, Signature, etc as per the present requirements of such Mutual Fund.

### **Whom do I inform about change of Name/Address/Status/Signature etc?**

You should intimate your change of Name/Address/Status/Signature etc to any convenient PoS. You need to quote your PAN and submit proof (in case of new address). You should provide for at least 10 days for the change of address to take effect with all the Mutual Funds with whom you are invested. Please note that you should not write to the Mutual Fund or its Registrar for the change of address (unless as a designated PoS). The specified form can be obtained from the AMFI/Mutual Fund/CDSL website. All details of the holders in the Mutual Fund records will be replaced by the address details available in the CVL record.

### **If I am already providing my PAN/PAN Proof for my investment in Mutual Fund. Is that not sufficient for meeting the requirement of KYC?**

The requirement of providing your PAN along with proof is sufficient for proof of identity. However, the current requirement for KYC requires the mutual fund to verify identity, address as well as obtain further information about the investor.

### **Why do I need to give my Income details? How can I be sure that it will not be misused?**

As per PMLA, it is mandatory for Mutual Funds to obtain financial status details from its investors. It is for this reason that the Income details are sought. Please note that no proof / income documents are required. The information given you in the KYC Application form will be treated in a confidential manner and used for regulatory purposes if called for.

### **Do I need to inform about my change of Income status?**

Yes. If you find an increased/decrease in your income, which would effectively, changed the income bracket that you have declared in the KYC Application form, you should apply to any convenient PoS in the specified form. No

proof is needed.

**Can an investor give a COA (Change of Address) along with redemption request?**

Redemption request is given to the investor service centre while the change of address (if KYC process has been previously completed) has to be given to a PoS. The change of address will be effected by CVL and informed to the Mutual Funds. As it will take 10 days for this process to be completed, the redemption transaction accompanied by a change of address request is likely to be processed without effecting the change of address request.

**Is the KYC Acknowledgement a separate form or is it a part of the Mutual Fund application. Which of the forms require being time-stamped?**

KYC Acknowledgement is a separate form. Time stamping is not required on the KYC Acknowledgement.

**What do I do once I have received my KYC Acknowledgement?**

Once the investor is KYC compliant, it will be required to intimate his KYC details to all the Mutual Funds with whom it has investments by quoting the folio numbers. The same will be updated in the records of the Mutual Fund.

**What if I have already obtained a MIN?**

**Scenario 1**

If the MIN was obtained by submitting the PAN, the MIN Acknowledgement can be enclosed along with the Investment Application Form(s) / Transaction Slip(s) while investing for the first time in a Mutual Fund, as the PAN number will be stated on the said acknowledgement.

**Scenario 2**

If the MIN was obtained without submitting the PAN but with other proof identity documents, the investor needs to carry the PAN card in original and a copy for submission at the PoS. For such cases, CVL will send out a communication to the respective investors requesting them to submit the PAN for KYC compliance.