

Swatantra Kumar says: Updating PAN Details Is Now Mandatory for Mutual Fund Redemptions.



What is PAN?

Permanent Account Number is a unique 10-digit alphanumeric identity allotted to each Taxpayer by the Income Tax Department.

Why should you verify your PAN details to invest in Mutual Fund?

- PAN is needed to get a KYC (Know Your Customer) compliance which is necessary to start investing in Mutual Funds.
- Previously, PAN was compulsory only for Mutual Fund investments for more than ₹50,000. Subsequently, PAN became mandatory for all Mutual Fund investments
- If PAN is not updated before, It will be made mandatory at the time of redemption for all the holders in a non-PAN exempt folio. Redemption will also include Systematic Withdrawal Plan (SWP).
- PAN card details will have to be provided for requests of death claim settlement by the joint holder or the nominee if not previously updated in the Fund House records.



What should you do?

For existing Investors: If not done already, submit a copy of your PAN Card and PAN Card updation form to the Fund Houses.

For Minors: The legal guardians will have to submit a copy of their PAN Card to the Fund House and it will need to be replaced with the child's PAN as soon as the minor becomes major.

For Joint Holders: All the holders will have to submit a copy of their PAN card to the Fund Houses.

How to submit your PAN details?

- You can submit the PAN updation form along with the self-attested copy of PAN card to the Fund House. Ensure you carry the original PAN card with you for verification, if requested.
- Some of the Fund Houses and Registrar and Transfer Agents provide the facility to submit PAN details and upload the self-attested copy of PAN card on their website.

What happens after submission?

PAN is updated in the Fund House's system after validation with the Income Tax Department. PAN updation is a one time activity.