We have compiled a checklist that is required to invest in mutual funds. This checklist holds true for all existing investors as well as new investors. Let us look at them.

**Valid PAN**

PAN is compulsory for investors including NRIs to invest in mutual funds. While residents of a few states have been exempted from this requirement, if they want to invest over Rs.50,000 per annum, they also need to quote PAN.

In addition, it is compulsory for investors to update their PAN and PAN Exempt KYC Reference Number (PEKRN) in MF folios.

Existing investors with such non-compliant folios cannot execute any financial transaction in mutual funds.

Your clients can visit CAMS and KFintech to update their PAN or PEKRN with MF folios.

**Aadhaar Pan linking**

It is important to link Aadhaar and PAN as early as possible.

According to the government, PAN cards would become inoperative if people fail to link their Aadhaar and PAN before a stipulated period. Since PAN is mandatory in mutual funds, investors’ MF folio may also get inactive if they fail to link the two on time.

Your clients can visit incometaxindiaefiling.gov.in. Alternatively, your clients can also visit https://www.utiitsl.com/ OR https://www.egov-nsdl.co.in/ to link their PAN and Aadhaar.

**Proof of identity and address**

The easiest way to complete KYC is Aadhaar based online KYC. You may use PAN as proof of identity and Aadhaar as the proof of address to do this KYC. However, your mobile number has to be linked with Aadhaar to complete the KYC.

While you can use Aadhaar as a valid proof of address through physical route, such a document has to be machine readable with QR code.

For other proof of address like passport, driving license and voter ID, your clients can only do physical KYC.

**Valid phone number and email id**

SEBI has implemented two factor authentication to execute transactions in mutual funds including subscription and redemption. Investors need to key in OTP to execute transactions in mutual funds through online mode.

One major requirement to implement these changes is to validate mobile number and email id of investors.

Both CAMS and KFintech have launched their respective self-declaration forms through which MFDs can help their clients update email ID and phone number across all fund houses. Your clients can visit CAMS and KFintech to update their mobile number and email id online.

**Core banking account number**

All investors must have an account number having Core Banking Solutions (CBS) details to invest in mutual funds.

Existing investors will have to update bank details of their clients linked to mutual fund folios with Core Banking Solutions (CBS) details.

CBS is a system which allows customers to do transactions across any branch. Experts believe that very old bank accounts and change in account numbers due to merger of banks largely fall under this

**Name appearing on PAN should match with MF folios**

Investors have to ensure that their name and date of birth (DOB) appear on PAN or IT records and the mutual fund folios should match completely.

If there is a mismatch between the name/DOB appearing on PAN and MF folios, the RTAs will have to reject the transaction including SIPs and redemptions.

The norms also say that investors will have to mention their DOB or DOI (date of incorporation for non-individuals) based on PAN card only. In case of a minor investor, guardian name and DOB will be mandatory.

**FATCA Compliance**

Foreign Account Tax Compliance Act (FATCA) is an anti-tax evasion law under which fund houses are required to report information on US investors to US IRS (Internal Revenue Service) through CBDT.

Simply put, the legislation is meant to prevent wealthy US individuals from parking money overseas to avoid paying taxes.

However, all investors irrespective of their tax residency will have to submit a declaration that they comply with this regulation.

**Nomination opt in or opt out**

All fund houses will have to compulsorily take a declaration from investors if they opt for nomination by filing it with the MF application form or skip it.  Mutual funds can also take the declaration online by using e-Sign or OTP facility.

SEBI has clarified that all existing folios without nomination will have to opt for nomination or opt out of nomination by June 30, 2024.