



CIRCULAR

Cir / IMD / DF / 9 / 2010

August 12, 2010

All Mutual Funds, Asset Management Companies (AMCs)

Sir/Madam,

Sub: Updation of investor related documents

1. SEBI vide circular No. SEBI/IMD/CIR No.12 /186868 /2009 dated December 11, 2009 has inter alia advised mutual funds to confirm whether all the investor related documents are maintained/ available with them. Further in case the investor related documentation was incomplete, the trustees of the mutual funds were advised not to make further payment to such distributors till full compliance/ completion of the steps enumerated in the said circular and to send a status to SEBI as and when process is completed to satisfaction.
2. SEBI has not received any confirmation from the trustees of the mutual funds on the completion of the process as mandated in the said circular. Thus it appears that all the investor related documentation is not available with the AMCs. It has been observed that due to such incomplete documentation investors' rights to approach the AMCs directly are restricted and investors are forced to depend on the distributors for executing any financial or non-financial transactions.
3. In order to ensure that investors have unrestricted access to AMCs and to enable AMCs to provide prompt investor service including execution of investors' financial or non-financial transactions, all mutual funds/ AMCs are directed that:
 - All new folios/ accounts shall be opened only after ensuring that all investor related documents including account opening documents, PAN, KYC, PoA (if applicable), specimen signature are available with AMCs/RTAs and not just with the distributor.
 - For existing folios, AMCs shall be responsible for updation of the investor related documents including account opening documents, PAN, KYC, PoA (if applicable), specimen signature by November 15, 2010.
4. The trustees shall submit a confirmation after they receive certification from an Independent auditor on completion of the said process latest by November 22, 2010.
5. Mutual Funds/Asset Management Companies shall comply with the above requirements in letter and spirit.



6. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Asha Shetty
Deputy General Manager
Tel no. 022-26449258
Email-ashas@sebi.gov.in