



ASSOCIATION OF MUTUAL FUNDS IN INDIA

PRESS RELEASE

FATCA Compliance

This has reference to the news articles which appeared in certain newspapers in the last couple of days, wherein it is reported that 5 million mutual fund folios are facing risk of closure due to non-submission of FATCA self-certification by the investors, involving redemption value in excess of ₹1 lakh crore. It is also reported therein that Association of Mutual Funds in India (**AMFI**) has proposed “freezing” such folios rather than enforce redemption (closure of account).

The news item seems to have created some confusion as some people seem to have misunderstood / misinterpreted the term “freezing of accounts” to mean “impounding of accounts”.

This Press Release is therefore issued to clarify that term “freezing of accounts” in mutual fund parlance merely means permitting further transaction in the account **only after the requirement is fulfilled**, which in the context of FATCA compliance, is to provide a self-certification about one’s tax residency. It is pertinent to mention here, when a folio is “freezed”, the investor’s account would continue earn the returns/benefits accruing in the normal course.

For FATCA compliance, all that the investors need to do is to provide a simple self-certification in the prescribed form that helps determine whether the investor has tax residency in other countries, particularly the U.S.

Mutual Funds and their Registrars have been making concerted and persistent efforts to obtain FATCA self-certification from the investors through various modes since the FATCA compliance became a law.

In fact, for the ease and convenience of investors, the mutual fund registrars, namely, CAMS, KARVY and Sundaram BNP Paribas Fund Services have facilitated submitting a single FATCA self-certification form for all the mutual funds serviced by the respective RTAs through an online mode wherein an customer could provide the information online through a specified link/URL.

For example, if the FATCA self-certification has already been submitted to CAMS or any one of the Mutual Funds serviced by CAMS, there is no need to submit the same once again for other Mutual Funds serviced by CAMS. Like-wise, for KARVY and Sundaram.

In addition, the RTAs and AMCs have also provided an option to download a PDF of the FATCA declaration form, which can be submitted at any nearest Service Centre of the RTA / AMC, duly completed.

Thus, all that an investor needs to do, is to submit a single FATCA declaration through online facility or using a physical form to each, CAMS, Karvy and Sundaram, instead of having to submit the same individually to each mutual funds separately.

Currently 22 Mutual Funds are serviced by KARVY, while 18 Mutual Funds are serviced by CAMS and 2 Mutual Funds are serviced by Sundaram BNP Paribas Fund Services.

The Mutual Funds are serviced by KARVY are:

AXIS Mutual Fund, Baroda Pioneer Mutual Fund, BOI AXA Mutual Fund, Canara Robeco Mutual Fund, Deutsche Mutual Fund, Edelweiss Mutual Fund, Goldman Sachs Mutual Fund, IDBI Mutual Fund, Indiabulls Mutual Fund, JM Financial Mutual Fund, LIC Nomura Mutual Fund, Mirae Asset Mutual Fund, Motilal Oswal Mutual Fund, Peerless Mutual Fund, DHFL Pramerica Mutual Fund, Principal Mutual Fund, Quantum Mutual Fund, Reliance Mutual Fund, Religare Invesco Mutual Fund, Sahara Mutual Fund, Taurus Mutual Fund, UTI Mutual Fund.

The Mutual Funds are serviced by CAMS are:

Birla Sun Life Mutual Fund, DSP BlackRock Mutual Fund, HDFC Mutual Fund, HSBC Mutual Fund, ICICI Prudential Mutual Fund, IDFC Mutual Fund, IIFL Mutual Fund, JP Morgan Mutual Fund, Kotak Mutual Fund, L&T Mutual Fund, PPFAS Mutual Fund, SBI Mutual Fund, Shriram Mutual Fund, Tata Mutual Fund, Union KBC Mutual Fund

The Mutual Funds are serviced by Sundaram BNP Paribas Fund Services are Sundaram Mutual Fund and BNP Paribas Mutual Fund.

Franklin Templeton Mutual Fund and Escorts Mutual Fund maintain their registry function in-house

Mumbai

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