

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4085
ANSWERED ON:05.09.2012
PAN CARD
Gawali Patil Smt. Bhavana Pundlikrao

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has made it compulsory to furnish details of PAN card in respect of small investors, irrespective of their earnings;
- (b) if so, the purpose behind targeting small investors;
- (c) the extent to which the Government intends to make the conditions favourable for the small investors;
- (d) whether there is any proposal to review the existing rules on furnishing of PAN card details;
- (e) whether such rules also adversely affect big investors in share market, etc; and
- (f) if so, the steps proposed to be taken by the Government to minimise the checks on small investors?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHR1 S.S.PALANIMANICKAM)

(a), (b) and (c) No Madam. Under the Income-tax Rules, Permanent Account Number (PAN) is required to be quoted in specified transactions like bank deposits, investment in mutual funds, shares, debentures etc. only if the investment is Rs. 50,000 or more.

Further, Securities and Exchange Board of India (SEBI) vide its communication dated July 24, 2012 has clarified that investments in mutual fund schemes (including investments in Systematic Investment Plans) upto Rs. 50,000/- per investor per year per mutual fund shall be exempt from the requirement of PAN.

(d) No.

(e) PAN was made the identifier in order to strengthen the Know Your Client (KYC) norms and to identify every participant in the securities market with their respective PAN thereby ensuring sound audit trail of all the transactions. It does not adversely affect big investors in share market.

(f) The concerns of small investors have been addressed by providing a threshold of Rs. 50,000 for transactions as mentioned above.