

Guidelines on Investment for Minors

Investment “On Behalf of Minor” Accounts:

Where the folio (“account”) opened on behalf of a minor:

1. The minor shall be the sole holder in an account. There shall not be any joint holder with the minor, either as the first holder or as joint holder.
2. The Guardian of the minor should be a natural guardian (i.e. father or mother) or a court appointed legal guardian.
 - a. It is mandatory to provide information on the relationship/status of the guardian as father, mother or legal guardian in the application form.
 - b. In case of natural guardian, please provide a document evidencing the relationship with the minor, if the same is not available as part of the documents submitted as per 2.3 below.
 - c. In case of court appointed legal guardian, please submit a copy of the court order in respect of the appointment of the Legal Guardian to the AMC.
3. Date of birth of the minor along with photocopies of the supporting documents as enumerated below shall be mandatory while opening the account on behalf of minor:
 - a. Birth certificate of the minor, *or*
 - b. School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., *or*
 - c. Passport of the minor, *or*
 - d. Any other suitable proof evidencing the date of birth of the minor.
4. Standing instructions like SIP, SWP, STP in respect of a minor’s folio shall be registered / executed only till prior to the date of the minor attaining majority, even if the standing instructions in the SIP, SWP, STP mandate form might be for a period beyond that date.

[Click here](#) to download the application form

Change of Guardian

When there is a change of guardian of the minor unitholder either due to mutual consent between the parents or due to demise of the existing guardian, mutual funds shall seek the following documents prior to registering the new guardian:

1. An application for change in guardian of the minor unitholder in a standard / prescribed form, along with PAN card copy and KYC acknowledgement of the new guardian and a cancelled cheque evidencing the change of guardian in respect of the minor's registered bank account with the new guardian's name.
2. A Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive.
3. A copy of the Death Certificate of the deceased guardian, where applicable duly attested by a Notary Public or a Judicial Magistrate First Class (JMFC) or a Gazetted Officer. Authorized official of the AMC may also do the attestation after verifying the original.
4. The new guardian must be a natural guardian (i.e. father or mother) or a court appointed legal guardian and the new guardian's name & signature should have been registered as the guardian with the minor's bankers in respect of the minor's bank account.
 - a. AMCs shall ask for the information regarding the relationship/ status of the guardian as father, mother or legal guardian in the application form.
 - b. In case of natural guardian, please share the document evidencing the relationship with the minor, if the same is not available as part of the documents submitted as per Point 3 above.
 - c. In the case of a court appointed legal guardian, please submit a copy of the court order in respect of the appointment of Legal Guardian to the AMC.
5. In case of change in guardian with mutual consent between parents, the signature of the new guardian shall be duly attested by the existing guardian whose signature is registered in the records of the mutual fund against the folio of the minor unitholder in the space provided in the form.
6. In all other cases, Bank attestation in respect of the signature of the new guardian shall be obtained on a separate letter / form as per format, from the bank where the bank account of the minor where the new guardian should have been registered as the guardian.
7. The new guardian shall be registered as the guardian in respect of the registered bank account of the minor unitholder. A cancelled cheque evidencing the change of guardian in respect of the minor's registered bank account shall be attached to the application for change in Guardian of Minor Unitholder
8. Wherever the minor's PAN has been provided in the MF folio, TDS should be paid against / quoting the minor's PAN. This would enable the parents of the minor to report the minor's dividend amount against the PAN of the parent in whose income the minor's income needs to be clubbed while filing their tax returns.

[Click here](#) to download Change of Guardian Form

[Click here](#) to download Annexure 1 – Bank Attestation of Signature (available on page no. 3)

Change in Status on Minor attaining Majority (MAM)

When the units are held on behalf of the minor, the ownership of the units, vest with the minor. The guardian may operate the minor's account only until the minor attains the age of majority.

In this regard, once the minor attains the status of major, the minor in whose name the investment is made, shall be required to provide all KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major. Accordingly, when a minor turns a major, AMCs shall obtain relevant documents and follow the guidelines as mentioned below:

1. The AMC shall send advance intimation to the registered address of the minor unitholder at least 30 days prior to the minor attaining the age of majority. The letter shall advise the unitholder to submit a prescribed application form for change in status from Minor to Major (hereinafter referred to as MAM form for brevity), along with the prescribed documents (as per Point 6 below).
2. Before submitting the application form for change in status from Minor to Major, the unitholder should complete the below formalities:
 - a. Apply for PAN & obtain a PAN card;
 - b. Complete the KYC process; and
 - c. Change his/her status in his/her existing bank account from Minor to Major OR open a new bank account immediately upon becoming a major and procure a new cheque book with his/her name pre-printed on the cheque.

Only after fulfilling the above steps, he/she should submit the prescribed MAM form duly completed to the AMC/ Registrar along with the requisite supporting documents.

3. Please note the below important points:
 - a. The guardian shall not undertake any financial or non-financial transactions from the date of the minor attaining majority.
 - b. All existing standing instructions like SIP, SWP & STP, if registered for a period beyond the date on which the minor attains majority, will cease from the date of the minor attaining majority.
 - c. The unitholder (erstwhile minor) will need to submit a fresh SIP, STP, SWP mandate in the prescribed form while applying for change in status from minor to major, in order to continue the SIP, STP and / or SWP.

The minor's account shall be frozen for operation by the guardian on the day the minor attains the age of majority and no further customer-initiated transactions shall be permitted till status is changed from minor to major.

4. AMC shall discontinue all standing instructions like SIPs, SWPs and STPs etc. with effect from the date of the minor attaining majority. In other words, all existing running SIP, STP, SWP transactions shall be discontinued from the date on which the minor attains the age of majority.

5. List of documents to be submitted to change the status from minor to major:
- a) The prescribed MAM form duly filled in all respects.
 - b) Signature of the applicant (minor who has turned major) in the MAM form shall be duly attested in the space provided therein by the parent/guardian whose signature is registered in the records of the mutual fund against the folio of the minor unitholder or by a Notary or a Judicial Magistrate First Class. Alternatively, the applicant signature should be attested by unitholder's bank in the prescribed form as per format given.
 - c) Copy of PAN Card of the applicant
 - d) KYC Acknowledgment or a duly completed KYC form.
 - e) A cancelled cheque leaf with the applicant's name pre-printed or the applicant's latest Bank Statement/Passbook.
 - f) Nomination Form.

Note: Dividend payout or dividend reinvestment shall continue to be processed, being a corporate action and not investor initiated. In such cases, dividend amount, net of TDS (wherever applicable), shall be credited to the unitholder's registered bank account or reinvested in the folio, as the case may be.

[Click here](#) to download form for change in status from Minor to Major