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MRD/DoP/Cir-20/2008

June 30, 2008

1. The Executive Directors/Managing Directors of All Stock Exchanges
2. MD & CEO, NSDL
3. MD & CEO, CDSL
4. All SEBI Registered Intermediaries

Dear Sirs,

**Sub: Mandatory requirement of Permanent Account Number (PAN)**

1. Please refer to SEBI circular No.MRD/DoP/Cir-05/2007 dated April 27, 2007 making PAN mandatory for all transactions in the securities market.
2. Subsequent to the issuance of the aforesaid circular, SEBI has received representations from certain categories of investors requesting for exemption from mandatory requirement of PAN for transacting in the securities market.
3. Upon consideration of the said representations, and in view of Rule 114 C (1) (c) of Income Tax Rules, it is clarified that PAN may not be insisted in the case of Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market.
4. However, the aforementioned clarification would be subject to the intermediaries verifying the veracity of the claim of the specified organizations, by collecting sufficient documentary evidence in support of their claim for such an exemption.
5. The Stock Exchanges and the Depositories are advised to :
  - 5.1. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately.
  - 5.2. bring the provisions of this circular to the notice of the member brokers/clearing members of the Exchange and depository participants of the Depositories and also to disseminate the same on the website.
  - 5.3. communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report.
6. SEBI Circular No.MRD/DoP/Cir-05/2007 dated April 27, 2007 stands amended to the extent as clarified under Para 3 of this Circular.
7. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, and Section 19 of the Depositories Act, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

**S V MURALI DHAR RAO**