



कर्मचारीभविष्यनिधिसंगठन
श्रममंत्रालयभारतसरकार

**Employees' Provident Fund Organisation
(Ministry of Labour, Govt. Of India)**

भविष्यनिधिभवन-14, भीकाजीकामाप्लेस, नईदिल्ली. 110066

BhavishyaNidhiBhawan, 14- Bhikaji Cama Place, New Delhi – 110066

www.epfindia.gov.in, www.epfindia.nic.in

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Date:

To

All Addl. Central P.F. Commissioner (Zones),
All Regional P.F. Commissioner/OIC of Regional Offices,
All Regional P.F. Commissioner/OIC of Sub Regional Offices.

13 JUN 2017

Subject : - Regarding adhering to the arm's length principle of investment of Funds .

Sir,

In the various reviews of EPF exempted establishments, it has been found that many establishments invest accumulated PF fund amount in their own entity or in their Subsidiary entities therefore some check points are recommended to stop such practices, as provided in the pattern of investment 2015 vide Condition No 17 of Para 27AA (Appendix A).

The Board of Trustees, while investing the Provident Fund remittances received from the employer in respect of employees of the exemption establishment, shall adhere to the arm's length principle of investment and shall follow the following:-

- Board of Trustees shall not invest in any of the securities/bonds issued by the exempted establishment, whose Provident Fund money is being managed by the Board of Trustees.
- Board of Trustees shall not invest in any of the securities/bonds issued by the establishment, with which the employer of the exempted establishment is related or occurring any key position like director, independent director etc.
- Board of Trustees shall not invest in any of the Securities/bonds issued by the establishment, which is fully or partially owned subsidiary of the exempted establishment.
- Board of Trustee shall not make investment, beyond 5% of the fresh accretions in a financial year, in the securities of an establishment in which the exempted establishment holds over 10% of the securities issued, and the total volume of such investments will not exceed 5% of the total portfolio of the fund at any time.

Yours faithfully

(K. L. Goyal)

Addl. Central PF Commissioner-I (Exemption)

Ph No. 011-26170928