



# ASSOCIATION OF MUTUAL FUNDS IN INDIA

135/ BP/ 32/ 2019-20

October 10, 2019

To,  
All AMFI Members

Dear Members,

## **AMFI Best Practices Guidelines Circular No.82 / 2019-20**

### **Tacking and Aggregation of multiple purchase transactions from B30 locations for charging of additional TER**

As per AMFI Best Practice circular no. 135/ BP/ 35/ 2012-13 dated 18-Feb-2013 on "Uniform process for aggregating split transactions for NAV applicability in terms of SEBI circular dated September 13, 2012", multiple applications/transactions for purchase of units in a mutual fund scheme received on the same day from the same investor, are aggregated/clubbed on the basis of the applicant's Permanent Account Number (PAN) for the purpose of determining the applicable NAV on the basis of realisation/utilisation of funds.

Pursuant to SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/42 dated March 25, 2019, wherein SEBI has specified that inflows upto ₹2,00,000/- per transaction by individual investors shall be considered as inflows from "retail investor" for the purposes of charging additional TER inflows from retail investors from beyond top 30 cities (B-30 cities), AMFI's Operations & Compliance Committee had recommended that AMCs / RTAs should track and club/aggregate multiple purchase transactions received on the same day from the same individual investor to discourage / prevent splitting of purchase transactions to circumvent the threshold limit of ₹2,00,000/- per transaction as is being done in respect of purchase transactions for determining the NAV applicability on the basis of realisation of funds. The above recommendation was endorsed by the Board AMFI at the Board meeting held on June 14, 2019 for being uniformly adopted / implemented by all AMFI members as a best practice guideline.



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AMFI had also sought SEBI's clarification and guidance in the matter. SEBI has, vide letter no. SEBI/HO/IMD/DF2/OW/P/2019/26551/1 dated October 9, 2019, agreed that the threshold limit of ₹2,00,000/- as specified in SEBI circular dated March 25, 2019 shall be considered by clubbing all transactions received on the same day from an individual investor in a particular scheme. SEBI has also advised AMFI to convey the above to all AMCs and RTAs.

Accordingly, all Members are requested adopt the above guidelines at the earliest latest by November 1, 2019 and also advise their respective RTAs to comply.

Members are also requested to confirm having noted the contents of this circular for due compliance and also to place this circular before their Trustees for information at the next meeting of the Trustees.

With regards,

Sincerely,

  
**B. M. Kini**  
**Dy. Chief Executive**