



ASSISTANT GENERAL MANAGER  
INVESTMENT MANAGEMENT DEPARTMENT – I  
POLICY AND DEVELOPMENT

भारतीय प्रतिभूति  
और विनियम बोर्ड  
Securities and Exchange  
Board of India

SEBI/HO/IMD/IMD-I PoD 1/P/ON/2022/ 50239/1

September 27, 2022

Shri B M Kini  
Association of Mutual Funds of India (AMFI)  
Naman Corporate Link, Wing C,  
Unit No. 701, Plot Nos. C-31 / C-32,  
G Block, Bandra Kurla Complex,  
Bandra – East, Mumbai – 400 051

Dear Sir,

**Subject: Strengthening governance framework for polling**

1. Please refer to your e-mail dated September 09, 2022 and other correspondence by SEBI on 'Strengthening governance framework for polling'.
2. In this regard, it is informed that SEBI is in agreement with the basic requirements laid down by AMFI for the automated polling systems of valuation agencies empanelled with AMFI.
3. Further, AMFI is advised to ensure that following matters are also appropriately addressed/incorporated in the above referred AMFI policy on 'Basic requirements of systems for polling for the valuation agencies empanelled with AMFI' and issue the final policy latest by September 30, 2022, under intimation to SEBI:
  - i. AMFI requirement is that the automated polling process to be cloud based platform. In this regard, AMFI shall ensure that the data on valuation as well as polling for mutual funds is maintained in India.
  - ii. The automated system of polling should have end to end audit trail.
  - iii. The system enabling live feedback to participants shall be subject to the feedback not influencing the polling.
  - iv. The system should be able to generate reports to analyse pattern of polling. The system should be able to identify minimum, maximum, average and median of the polls submitted.
  - v. The system should have option at users end to generate reports regarding poll submissions.
  - vi. Polling by AMCs should be through the polling systems developed by valuation agencies and polling through email should be done away with.
  - vii. In terms of AMFI Best Practice Guidelines dated November 18, 2019, the officials of the AMC who are responsible for polling are personally liable for any misuse of the polling process. In view of the same, the need for maker-checker at the polling participant's end may be reviewed in consultation with the AMCs.
  - viii. All the data is preserved by valuation agencies empanelled by AMFI for the period of eight years and the data should be produced to AMFI and/or SEBI as and when required.
4. AMFI shall ensure that valuation agencies empanelled by them comply with the policy on "Basic requirements of systems for polling for the valuation agencies empanelled with AMFI", prepared by AMFI in consultation with SEBI.

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5. Further, AMFI has communicated vide email dated August 10, 2022 that the existing valuation agencies empanelled with it may require 90 to 100 days for developing systems in line with their requirements and putting the system to use. In view of the same, AMFI is advised to ensure that the systems for polling are developed and put to use latest by January 31, 2023.
6. AMFI is further advised to get the systems developed by valuation agencies for polling audited from independent external auditor and submit the report to SEBI by April 30, 2023.
7. In line with the AMFI Best Practice Guideline dated November 18, 2019 AMFI may appoint an external auditor for audit of valuation agencies for the period of April 2020 to September 2022 and submit the compliance status to SEBI by December 31, 2022 along with adverse observations of the audit, if any. Thereafter, AMFI shall with at least an annual frequency get the polling process of valuation agencies revalidated by external audit and submit the compliance report to SEBI along with adverse observations of the audit, if any, after completion of 2 months of the automated polling platform, as per the policy mentioned at para 4 above.

Yours faithfully,

  
Viral Parekh