



ASSOCIATION OF MUTUAL FUNDS IN INDIA

135/ BP/ 66/ 2015-16

November 26, 2015

AMFI Best Practice Guidelines Circular No.66 /2015-16

Dear Members,

Sub: Providing Transaction Data “Feed” to Distributors & Investment Advisers in respect of applications received directly / under Direct Plan

Pursuant to introduction of “Direct Plans” by Mutual Funds (MF) from January 2013, vide SEBI Circular dated September 13, 2012, AMFI had, vide Circular no. 135/BP/34/2012-13 dated January 2, 2013, advised the members not to entertain requests for providing transaction data feeds in respect of applications received directly / under Direct Plans.

In this regard, AMFI had been receiving requests and suggestions from AMCs, Mutual Fund Distributors and SEBI-registered Investment Advisers (IAs) to permit providing transaction data feeds in respect of investments under Direct Plans of Mutual Funds, on the basis of positive written consent from the clients, as there was no cost implications to the investors, since no commissions / brokerage etc. could be paid on any Direct transactions, and also because it would help the MF distributors and IAs in providing proper financial planning service to the investors under Direct Plan, who seek their investment advice, by tracking the MF transactions of such investors.

The matter was discussed at AMFI's Board meetings recently and the Board felt that there was merit in the above suggestion, and it was decided to seek SEBI's view in the matter.

Accordingly, we had sought SEBI's guidance as to whether AMCs may provide transaction data feed in respect of Direct Plan to Mutual Fund distributors / SEBI-registered Investment Advisers, after obtaining clients' written permission.

SEBI has advised that the data feed (portfolio holdings, transactions, NAV, etc.) of investors who subscribe to Direct Plan on the advice of Investment Advisers/distributors may be shared with such IAs/Distributors, after obtaining explicit written consent of the investors.

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SEBI has also advised that AMFI should obtain declaration from AMCs on a half-yearly basis that they are not compensating the IAs/Distributors directly or indirectly or through any associate / group companies for the advice rendered by the IAs/Distributors to the investors to subscribe to Direct Plan.

Accordingly, AMFI Circular no. 135/BP/34/2012-13 dated January 2, 2013 stands withdrawn.

A suggested format of Consent Letter to be obtained from clients under Direct Plan to share/provide transaction data feed in respect of Direct Plan to Mutual Fund distributors / SEBI-registered Investment Advisers is annexed hereto.

Members are requested to confirm having noted the contents of this circular and take action accordingly and also to place the circular before their Directors and Trustees for information at their next Board meeting.

With regards,

Sincerely,

A handwritten signature in black ink, appearing to read 'B. M. Kini', written over a horizontal line.

B. M. Kini
Dy. Chief Executive

Encl: as above

To :

..... Mutual Fund

**CONSENT TO PROVIDE TRANSACTION DATA FEED IN RESPECT OF INVESTMENTS
UNDER “ DIRECT PLAN”**

Common Account No.	
Account No./Folio No.	
Account No./Folio No.	
Account No./Folio No.	
Account No./Folio No.	
Account No./Folio No.	

Name Sole / 1st Holder / Guardian Mr./Mrs./Ms./ M/s PAN of Sole/1st Holder/Guardian

Name Second Holder Mr. / Mrs./Ms. PAN of 2nd Holder

Name Third Holder Mr. / Mrs./Ms. PAN of 3rd Holder

I/ We, the above-named person/s have invested in the Scheme(s) of your Mutual Fund under Direct Plan under the abovementioned Account No(s). / Folio No(s).

I/We hereby give you my/our consent to share/provide the transactions data feed/portfolio holdings/ NAV etc. in respect of my/our investments under Direct Plan of all Schemes managed by you, to the below-mentioned Mutual Fund Distributor / SEBI-Registered Investment Adviser :

AMFI Registration Number ARN -	SEBI Registration No.
Name:	
Address:	
City	PIN
E-Mail Id.	
Tel. No.	

Signatures

Sole / First Holder / Guardian	Second Holder	Third Holder
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Date:

Place: