



## TERMS & CONDITIONS

These Terms and Conditions of Empanelment as a Distributor of ICICI Prudential Mutual Fund (IPMF) are a binding contract between yourself and ICICI Prudential Asset Management Company Ltd. ("IPAMC") (as asset management company of IPMF) for your appointment as a distributor of IPMF to distribute units of the schemes of the IPMF. Please read these Terms and Conditions carefully. By signing these Terms and Conditions you acknowledge that you have read, understood and agree to be legally bound by them at all times.

### **OBLIGATIONS OF THE DISTRIBUTOR:**

1. Any term referred hereunder will have the same meaning as attributed under the Scheme Information Document of the respective scheme(s) launched by IPAMC on behalf of IPMF.
2. The Distributor and its employees or representatives who will be involved in the distribution of the units of the schemes of IPMF represent and warrant that they are authorised to act as a distributor of mutual fund product(s) and have passed the necessary NISM /Association of Mutual Funds in India ('AMFI') Certification Test (Advisor Module) and obtained a Employee Unique Identification Number (EUIN) from AMFI apart from AMFI Registration Number (ARN). The Distributor shall ensure that the employees quote the EUIN in the Application Form for investments.
3. The Distributor shall ensure that its employees or representatives have and at all times shall continue to hold all valid and subsisting approvals / registrations / certifications as may be required by law to perform its obligations hereunder during the term of appointment and that they have not and shall not violate / breach any of the terms and conditions subject to which such approvals / registrations / certifications have been granted.
4. The Distributor agrees to comply with the provisions of Securities and Exchange Board of India ('SEBI') /AMFI Circulars including but not limited to SEBI Circular No. Cir / IMD / DF / 5 / 2010 dated June 24, 2010 with regard to holding of valid certificate issued by AMFI/National Institute of Securities Markets (NISM), SEBI Circular No. SEB/IMD/CIR No. 4/168230/09 dated June 30, 2009 with regard to disclosure of all types of commission payment to them for different competing schemes from various mutual funds, SEBI/IMD/CIR No. 174648/2009 dated August 27, 2009 regarding Code of Conduct, SEBI circular Cir/IMD/DF/13/2011 dated August 22, 2011 and AMFI circular 79/ARN/03/11-12 dated 13.09.2011 etc. and any amendments made thereof vide any notifications/circulars/guidelines issued in this respect from time to time.
5. The Distributor and its employees who will be involved in distribution of units of the schemes of IPMF must carry out such directions and instructions as may be issued by IPAMC from time to time and shall, at all times, comply with all the extant applicable laws, rules, regulations, guidelines, directions, etc.
6. The Distributor shall ensure that the terms and conditions mentioned herein or as amended from time to time are also complied with by the Distributors' employees, Distributor (including sub-Distributor) and representatives.
7. The Distributor must carefully read and understand the Scheme Information Document ('SID') and the Key Information Memorandum ('KIM') of the scheme(s) of IPMF and Statement of Additional Information ('SAI') and explain to the investors, the investment objectives, features of the schemes and risks associated therein. The Distributor must not make any representation concerning IPMF or any scheme of IPMF except those contained in the relevant SID, SAI, KIM and / or the marketing material issued by IPAMC.
8. The Distributor shall use only the SID, SAI, KIM and marketing material as is provided to him by IPAMC and the Distributor shall not design his own marketing material in respect of any scheme of IPMF unless he has obtained prior written approval of IPAMC for the same.
9. The Distributor shall at all times conduct himself with propriety and decorum and in a manner which is not prejudicial to the interest of IPAMC/ IPMF.
10. The Distributor must not use any malpractice and/or unethical means to sell, distribute market, solicit or induce any investor to undertake any transaction pertaining to the units of any scheme of IPMF.
11. The Distributor shall, at all times, comply with and adhere to the code of conduct for Distributors (enclosed herewith as Annexure), including any amendments thereto from time to time.
12. The Distributor shall comply with the provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and guidelines/circulars issued by SEBI / AMFI from time to time pertaining to mutual funds with specific focus on regulations / guidelines on advertisements, sales literature and code of conduct.
13. The Distributor is not permitted to accept / receive cash towards investment in units of any scheme of IPMF or otherwise on behalf of IPAMC and all subscriptions procured by the Distributor shall only be accepted by means of Account Payee cheques, pay orders or demand drafts drawn in favour of the respective scheme name as mentioned in the SID. The Distributor cannot, on behalf of IPAMC, issue receipt of any application form(s), cheque(s), demand draft(s), etc. received towards subscription or any transaction in the units of any scheme of IPMF.
14. The Distributor agrees to comply with the relevant provisions of the Prevention of Money-Laundering Act, 2002 and Know Your Client norms laid down by SEBI and AMFI as applicable and amended from time to time. The onus of conducting/adhering to the KYC norms is on the Distributor and the Distributor will ensure proper verification of identity of Clients/investors.
15. The Distributor shall be responsible for providing the foreign inward remittance certificate or the certificate evidencing the subscription by way of debit to the NRE/ FCNR account of any non-resident Indian investor, within five days from the receipt of subscription by IPMF from such investor.
16. The Distributor agrees not to distribute the products of IPAMC to such investors who are banned from investing in India.
17. The Distributor shall not in any way pledge or have any lien or charge on the properties of the IPAMC, IPMF, the trustee company of IPMF being ICICI Prudential Trust Ltd ('Trustee') or any investor, that are in its possession, towards the fees payable to the Distributor for the services rendered herein.
18. IPAMC shall have a right to call upon the Distributor to furnish any information or statistics including but not limiting to his business with respect to other mutual fund(s), which the Distributor shall be bound to furnish.
19. The Distributor shall neither use nor display the name, logo, mark or any intellectual property of IPAMC/IPMF (or any things identical thereto) in any manner whatsoever, except as permitted by IPAMC.
20. The Distributor shall do all acts, deeds and things necessary on behalf of the IPMF/ IPAMC to enhance the investors' confidence and interest in the IPMF and ensure that the interests and reputation of the IPMF/ IPAMC are fully protected at all times and shall not undertake any obligation or incur any liability on behalf of the IPMF/IPAMC nor in any way pledge the IPMF/IPAMC's credit.
21. The Distributor shall be solely responsible for resolution of all the investor grievances/complaints arising due to any acts or omission or gross negligence, misrepresentation, fraud or mistake not directly attributable to the IPAMC and shall provide complete assistance to IPAMC for redressal of complaints.
22. IPAMC shall from time to time publish notices, addendums and may make available to the distributor any other documents as may be related to the schemes of IPMF. The Distributor undertakes to:
  - (a) properly display such documents in its places of business;
  - (b) provide legible hard copies of such documents to investors/potential investors of IPMF.

### **FEES AND CHARGES PAYABLE TO THE DISTRIBUTOR:**

23. The Commission and the periodicity of its payments for each scheme of the IPMF will be decided by IPAMC at its discretion. Further, IPAMC has the right to revise the same from time to time as it thinks fit. The Distributor shall be eligible to receive commission based on the amounts mobilised by such Distributor under each scheme of the IPMF subject to such other terms and conditions as may be applicable.
24. IPAMC reserves the right to withhold the commission or any other amount payable to the distributor, pending submission of the declarations/documents/forms or any other information as required by the IPAMC.
25. The Distributor shall not have any right or claim against the IPMF / IPAMC, for any loss incurred by it due to any revision made by the IPAMC in commission or any change of terms and conditions of distribution.
26. In case the Distributor receives any commission or any other amount which is not due or payable to the Distributor, the IPAMC / IPMF shall be entitled to recover the same or adjust all such amounts as are paid wrongly or by mistake to the Distributor.
27. The commission / brokerage payable by the IPAMC in respect of distribution of Mutual Fund Units by the Distributor will be as per the brokerage structure as may be notified by IPAMC from time to time and will be inclusive of all taxes, cesses, charges and levies.

### **INDEMNITY:**

28. The Distributor hereby declares and covenants to defend, indemnify and hold IPAMC and its trustees, directors, affiliates, promoters, employees, successors in interest and permitted assigns harmless from and against all claims, liabilities, costs, charges, damages or assertions of liability of any kind or nature resulting from:

Signature: \_\_\_\_\_

- (a) Any breach of terms, covenants and conditions or other provisions hereof, or any SID(s) / SAI or any actions or omissions there under;
- (b) Any failure to comply with all applicable legislation, statutes, ordinances, regulations, circulars administrative rulings or requirements of law;
- (c) The misfeasance, malfeasance, negligence, defaults, misconduct or fraudulent acts of & by the Distributor or its representatives, employees, directors, agents, representatives; and
- (d) Any and all actions, suits, proceedings, assessments, settlement, arbitration judgments, cost and expenses, including attorneys' fees, resulting from any of the matters set forth herein above.
- (e) fraudulent, improper, incorrect, wrongful or negligent performance, work, service, act or omission by the Distributor including any of its employees, and representatives;
- (f) willful misconduct of the Distributor or any of its employees, Distributor (including sub-Distributor) and representatives.
- (g) breach of any term or condition mentioned herein by the Distributor or any of its employees, Distributor (including sub-Distributor) and representatives;

**TERM AND TERMINATION:**

29. The appointment of the Distributor shall continue to remain in full force and effect unless terminated by IPAMC or the Distributor, in accordance with the provisions contained herein. IPAMC shall be entitled to terminate the engagement of the Distributor forthwith, if:
- (a) the Distributor is found to be a minor or adjudicated as an insolvent or found to be of unsound mind by a court of competent jurisdiction;
  - (b) it is found that the Distributor has knowingly participated in or connived in any fraud, dishonesty or misrepresentation against IPAMC / IPMF or any unit holder of IPMF.
  - (c) any statement made by the Distributor in the Distributor Empanelment Form is found to be false or misleading or intended to mislead.
  - (d) the Distributor conducts or acts in any manner, which is deemed prejudicial to the interest of IPAMC / IPMF;
  - (e) the Distributor does not comply with all applicable legislations, statutes, ordinances, regulations, administrative rulings or requirements.
  - (f) the Distributor remains inactive in business with IPAMC for a considerable period of time, as decided by IPAMC from time to time. IPMF also reserves the right to suspend brokerage under such cases.
30. Further, IPAMC shall have the right to terminate the appointment of the Distributor, without any cause, at any time by giving 30 (thirty) days' notice to the Distributor. The Distributor may also terminate his engagement with IPAMC at any time by giving a 30 (thirty) days' notice to IPAMC.
31. The engagement of Distributor shall stand automatically terminated, without notice from IPAMC, upon disqualification or withdrawal of necessary authorisation(s) of the Distributor.
32. Upon any termination, the distributor shall forthwith return to IPAMC all documents, papers and material pertaining to and / or belonging to IPAMC / IPMF.

**CONFIDENTIALITY:**

26. (a) Confidential Information shall mean all information disclosed to the Parties under this Agreement including but not limited to the details of the investors. The Party receiving the information shall be the "Recipient Party" and the party disclosing the information shall be the "Disclosing Party". However, the Parties agree that following shall not be considered Confidential Information:
- Becomes generally available to the public other than as a result of disclosure by the disclosing party or by the disclosing party's agents (in the case of distributors, including the sub-distributors), employees or representatives; or
- Information which was previously known to the recipient Party prior to receipt from the disclosing Party; or
- Information that is developed independently by the recipient Party or any of its employees, agents or representatives who had no access to the Confidential Information provided by the disclosing Party; or
- Information which is disclosed to regulatory authority; or
- Information which is disclosed pursuant to the requirement or request of a government agency or court of competent jurisdiction.
- (b) Each Party further acknowledges and agrees:
- To protect Confidential Information, the standard of care required by the Party in protecting the confidentiality of Confidential Information shall be the same standard of care that the disclosing Party uses in protecting its own Confidential Information.
- Parties hereto shall disclose Confidential Information or permit disclosure of Confidential Information to its employees or agents or Service Provider only on NEED TO KNOW basis.
- (c) Information Technology Act and rules thereunder:
- Definition: 'Personal information and Sensitive Personal Data Or Information' shall have the meaning assigned to them by the Information Technology Act, 2000 read with Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011 as amended from time to time (hereinafter "the said Act & Rules").
- Sharing, Collecting & Preserving of sensitive personal data and information:
- The Distributors and the AMC mutually agree as follows:
- That they shall keep the Personal Information and/or Sensitive Personal information that are collected from the investors and/or unit holders as strictly confidential and would make use of the same only for the purpose for which it has been authorised to collect the information. The Parties further agree that the recipient party shall ensure the same level of data protection as has been provided for in the said Act & Rules.
- That the Parties hereby confirm that they have the authority to collect and transfer the above referred Personal Information and/ or Sensitive Personal Data or Information, as per the Privacy Policy.
- (d) The covenants of confidentiality set forth herein shall survive and continue and be maintained from the date hereof even after the termination of this Agreement.

**MISCELLANEOUS:**

33. IPAMC reserves the sole right and discretion to change the status category of the Distributor.
34. The empanelment of the Distributor as a distributor of IPMF shall be on a non-exclusive basis. The relationship between IPAMC and the Distributor is that of principal to principal and does not create any agency relationship or employee-employer relationship between IP AMC and the Distributor.
35. The Distributor shall not have any claim against IPAMC /IPMF for any loss, actual or notional, incurred by him on account of any revision in the rate(s) of fee by IPAMC.
36. In respect of all disputes arising under this engagement, the courts at Mumbai alone shall have jurisdiction, in accordance with the laws of India.
37. The statements and declarations made by the Distributor herein are the basis of his empanelment as a Distributor.
38. The empanelment of the Distributor as a distributor of IPMF is subject to written confirmation from IPAMC. The Distributor shall promptly provide on periodic basis such written declaration / confirmations along with supporting documents as required by the IPAMC to ensure compliance with all applicable laws/rules/regulations/guidelines/SEBI/ AMFI circulars.
39. The Distributor shall not restrict the right of investor for changing the distributor, if the investor wishes to do so.

I/We have fully read, understood and accepted the above mentioned terms and conditions and to agree to abide by the same at all times. I/We agree to submit such declarations/documents/forms as required by IPAMC from time to time.

I/we further agree to abide by the code of conduct and rules/regulations laid down by SEBI and AMFI. I/We shall neither pass on or rebate brokerage back to investors nor tempt them with rebate/gifts. I/We further have no objections in the IPAMC taking any disciplinary action against me/us or any of my/our employee or representative who is found violating this regulations/code of conduct.

The Distributor agrees to provide all the documents to IPMF/IPAMC, in order to comply with the provisions of Know Your Distributor norms laid down by AMFI/SEBI as amended from time to time.

Signature: \_\_\_\_\_

## BUSINESS QUESTIONNAIRE

Name:

ARN-

1. How long have you been associated with Financial Service sector? \_\_\_\_\_
2. Whether empanelled with any other Broker as Sub-broker for selling Mutual Funds? If yes, please specify \_\_\_\_\_
3. Are you a CFP?  Yes  No  Registered
4. Are you registered with any Stock Exchange?  
If Yes, NSE / BSE / Others, please specify \_\_\_\_\_ ; Code \_\_\_\_\_
5. Which are the top 3 AMCs which you advice to your clients?
  - Debt: 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_
  - Equity: 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_
6. What kind of financial products / services do you offer? Please tick (✓)
  - Insurance  Post Office  RBI Bonds  PMS, with whom? \_\_\_\_\_
  - Primary Market (IPO)  Secondary Market (Share Broking)  Fixed Deposits  Real Estate  Others
7. Business Model
  - Own Office  Out of Home  Sub broker Network
8. Area Covered: \_\_\_\_\_
9. No. of Offices: \_\_\_\_\_
10. No. of Employees: \_\_\_\_\_
  - Back Office: \_\_\_\_\_
  - Front Office: \_\_\_\_\_
11. Awards & Recognition (Please specify): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
12. Approximate Business generated in last Financial Year
  - Debt: \_\_\_\_\_
  - Equity: \_\_\_\_\_
13. Total AUM as on date
  - Debt: \_\_\_\_\_
  - Equity: \_\_\_\_\_
14. Total no. of Investors: \_\_\_\_\_
15. How many of your customers invest regularly in mutual funds?
  - Less than 25  25 to 99  100 to 249  250 to 499  500 & above.
16. Type of Clients
  - Retail  Institutional  HNI / MNI  Trust
17. What kind of Mutual Fund schemes do you promote?
  - Monthly Income Plans  Debt Funds  Liquid Funds  New Fund Offers  Equity Funds  Fixed Maturity Plans
18. Do you charge fee to your client?  Yes  No
19. You wish to receive Information Updates by:
  - SMS  Email  Mailer
20. What kind of support do you appreciate from the AMC so that you may increase your business in total?
  - Training on capital markets  Direct Mailing to your customers  Training on products  Selling ideas
  - Presentation for your customers by ICICI Prudential representatives  Any other, please specify \_\_\_\_\_

Place: \_\_\_\_\_

Signature of Distributor: \_\_\_\_\_

Date: \_\_\_\_\_

## Code of Conduct for Mutual Fund Distributors



### I. Purpose and Scope of the Code

- a. This Code of Conduct (“**Code**”) requires Mutual Fund Distributors to demonstrate the core values of being a fiduciary by establishing professional standards in their dealings with the investors, Asset Management Companies (“**AMCs**”), and other distributors so as to exemplify the values of transparency, competency, fairness, integrity and thereby seek to inspire and maintain trustworthiness in the profession of distribution of Mutual Fund schemes.
- b. This Code applies to all persons and entities who are registered with the Association of Mutual Funds in India (AMFI) as mutual fund distributors i.e. holders of AMFI Registration Number (“**ARN**”) (referred to as “**MFDs**” in this Code) and is binding on all the Directors/partners, members, sub-distributors, employees and representatives of the MFDs (collectively referred to as “**Representatives**” in this Code). The term “MFDs” is deemed to include the sales personnel of the MFDs engaged in marketing, sale and distribution of mutual fund products.

### II. Obligations of the MFDs

#### **1. Fiduciary Duty**

- a. MFDs must consider investor’s interest as paramount and exercise due diligence, take proper care and exercise independent professional judgment in the best interest of the investor.
- b. MFDs should try to avoid conflict of interest as far as possible, and when it cannot be avoided, they shall ensure that appropriate disclosures are made to the investors, and that the investors are treated fairly. Further, while selling Mutual Fund products of their group/affiliate/associates, MFDs shall make appropriate disclosures to the investors regarding the conflict of interest arising from distribution of such Mutual Fund scheme.
- c. MFDs shall ensure that financial incentive should not form the basis for recommending any particular scheme or transaction to any investor. MFDs shall promote a culture of ethics and integrity within the organization, so as to dissuade unfair practices, conflicts, aggressive sales tactics and other inappropriate conduct directed to achieve sales targets in disregard of its fiduciary duty of care, diligence and loyalty.
- d. MFDs shall not rebate or pass-back commission to investors and shall refrain from attracting investors through inducement of rebate or gifts / gift -vouchers etc.
- e. MFDs shall not collude or undertake malpractices such as:

- i. encouraging over transacting and churning of investments to earn higher commissions.
- ii. splitting applications to earn higher transaction charges / commissions.
- iii. participating in payment defaults (such as dishonoring of cheques) or diversion of funds.
- iv. making false claims for or participating in wrongful dividend / redemption payouts.
- v. carrying out unethical practices such as churning, selling unsuitable products to clients, selling of units of schemes of any mutual fund, directly or indirectly, by making false or misleading statements, concealing or omitting material facts of the scheme, concealing the associated risk factors of the schemes, etc.

## 2. Compliance related obligations

- a. MFDs shall adhere to Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("**Mutual Fund Regulations**") and guidelines/circulars issued by Securities and Exchange Board of India ("**SEBI**") and AMFI, from time to time, pertaining to distributors, selling, distribution and advertising practices (including the preparation of sales promotional literature and content) and code of conduct. Performance disclosures should also comply with the requirements specified by SEBI. MFDs must also adhere to restrictions prescribed under other SEBI Regulations as may be applicable to their marketing, selling and distribution activities, for example, obligation on segregation of distribution and advisory services mandated under SEBI (Investment Advisers) Regulations, 2013.
- b. MFDs shall comply with the Know Your Distributor ("**KYD**") norms prescribed by AMFI. MFDs shall be diligent in attesting / certifying investor documents and performing In-Person Verification ("**IPV**") of investors for the KYC process in accordance with the guidelines prescribed by AMFI / KYC Registration Agency ("**KRA**") from time to time.
- c. MFDs should endeavor to be fully conversant with the key provisions of the Scheme Information Document ("**SID**"), Statement of Additional Information ("**SAI**") and Key Information Memorandum ("**KIM**") as well as the operational requirements of various schemes and should explain to the investors the key features (including fundamental attributes) of the schemes and any risk associated therein.
- d. In order to assess suitability of the Mutual Fund scheme being marketed, the MFDs should seek information from their clients about their financial status, investment experience and investment objectives.
- e. MFDs shall ensure that their Representatives have the necessary education and experience to perform their respective services.
- f. MFDs and their Representatives shall maintain confidentiality of all information relating to the AMCs and investors, and shall not:

- i. share or publish such information in any private or public forum without prior written consent of the concerned AMC/investor
- ii. share or make any disclosure to any third party except pursuant to any filings or disclosures as may be required under applicable law or order of any court or regulatory body.
- iii. share data with Group Companies for cross marketing.

MFDs and their Representatives shall comply with the Data Sharing Principles prescribed by AMFI and the applicable laws on Personal Data Protection.

- g. MFDs shall adhere to contractual agreements with AMC relating to data privacy to ensure that the data is always protected, used only for the purpose for which it was obtained and purged as soon as the data is no longer required to be stored for rendering services for which it was collected or stored securely.
- h. MFDs shall ensure that they and their sub-distributors are compliant with SEBI regulations, AMFI guidelines and code of conduct at all times and also that all their sub-distributors have a valid ARN. In other words, principal MFD should not engage or continue to engage a sub-distributor whose ARN is rendered invalid.

### 3. Infrastructure, record keeping and other related obligations

- a. **Physical Infrastructure:** MFDs should maintain necessary infrastructure to support the AMCs in maintaining high service standards to investors and ensure that critical operations such as forwarding /submission of forms and cheques etc. to AMCs/RTAs are appropriately supported.
- b. **Digital Infrastructure:** In view of increased initiatives towards digitization of mode of performance of services, including new client on-boarding, transaction processing and ongoing servicing for investors, MFDs should adopt adequate information technology related infrastructure, including in relation to cyber security measures to maintain confidentiality of electronic data during collection, transmission and storage as well as to mitigate risks related to execution of Mutual Fund transactions through digital platforms.
- c. **Internal control, financial and operational resources:** The MFDs should have internal control procedures and financial and operational systems and processes which can be reasonably expected to detect and prevent mis-selling as well as mitigate financial loss arising from fraud and other dishonest acts, professional misconduct or omissions, theft, or force majeure events. MFDs are encouraged to take up appropriate insurance coverage for their activities.

- d. **Record keeping:** MFDs should maintain adequate records in relation to clients, whether in physical or digital form, as applicable, in compliance with the applicable laws and SEBI regulations, including KYC records as well as correspondence with the investors on particular scheme or transaction suitability and consent/dissent of the investors.

#### 4. Client related obligations

- a. MFDs shall provide full and updated information on schemes, as provided to them by the AMCs, to the investors including SAI, SID, addenda, performance reports, fact sheets, portfolio disclosures and brochures. MFDs shall not deliberately withhold or omit any material fact or information supplied to them by the AMCs from any investor that the investor should know or may want to know, including information about particular scheme or transaction not being appropriate for the investor.
- b. MFDs shall highlight risk factors of each scheme to their investors, desist from making any misrepresentation or exaggerated statements or conceal associated risk factors of a scheme and shall advise and urge their investors to go through SAI/SID/KIM before deciding to make investments.
- c. MFDs shall disclose to the investors all material information including all commissions (in the form of trail commission or any other mode) received or receivable by them for the different competing schemes of various Mutual Funds from amongst which the scheme is being recommended to the investor.
- d. MFDs shall disclose to their clients the list of mutual funds they are affiliated with and inform to the clients that the information provided is limited to the mutual fund products that are being distributed/promoted by the MFDs and also inform the clients that the clients may also consider other alternate products, which are not being offered by the MFDs before making investment decision.
- e. If the MFD is an associate/group company/ sponsor of AMC of a mutual fund, the MFD shall, while providing suggestions to investor, disclose all material information about its association with the concerned AMC and the total amount of commission received/receivable.
- f. In terms of SEBI letter no. SEBI/IMD1/DoF-1/SK/2021/25517/1 dated September 06, 2021, MFDs cannot deal in Direct Plans. MFDs shall ensure that on any digital platform provided by MFD for offering investment facility to investor, it is categorically disclosed that the scheme the investor is subscribing to is of Regular Plan which involves payment of commission to MFD. The link for the rate of commission received or receivable by the MFD for the different competing schemes of various Mutual Funds shall be prominently displayed on the platform indicating the same as a hyperlink. Further, a link to the



scheme offer documents (SID/SAI/KIM) shall also be prominently displayed on the concerned page.

- g. MFDs shall (i) not provide any indicative portfolio or indicative yield or indicative return for any particular scheme or transaction and (ii) abstain from indicating or assuring returns for any particular scheme or transaction.
- h. MFDs engaged in providing other financial services in addition to distribution of mutual fund products, where other financial products with assured return are being offered to clients, MFDs and their employees shall ensure that they do not mis-sell mutual fund products on the basis of indicative or assured return or regular income to the customers seeking to make investments. It shall be explained to the clients that MF investments are not guaranteed or assured return products and that the principal amount may be exposed to risk of loss.
- i. To prevent submission of fraudulent, incomplete, tampered or incorrect forms or applications, MFDs shall set up adequate training and processes to ensure that:
  - (i) information in the application forms (including address and contact details) is filled diligently with the investor's own, accurate and complete information. Whether requested by the investor or not, the contact details / information of the MFDs' Representatives or any other third party is not filled in the application forms, so as to pass-off as the information relating to the investor;
  - (ii) any additions, revisions to the investor's contact details / information is done only upon receipt of such information from the investor or the investor's authorized person,
  - (iii) application forms submitted by the investor are not tampered with, whether by inserting, deleting or modifying any information / field in the application forms,
  - (iv) EUIN of the concerned employee of the MFD is written on the application forms for identification.
- j. MFDs shall endeavor to resolve investor grievances/ complaints arising out of marketing, sale and distribution activities and shall provide complete assistance to the AMCs for redressal of grievances/ complaints.
- k. MFDs shall use marketing material as is provided to them by the AMCs and shall not design their own marketing materials in respect of any scheme or display the name, logo, mark of any AMC without the prior written approval of the AMC.
- l. MFDs shall draw attention of their clients to the disclosures made in the SID/SAI/ /KIM relating to general risks of investing through mutual fund schemes as well as scheme specific risks such as (i) returns being subject to market risk including loss of capital on account of market volatility, force majeure events, changes in political and economic environment, default by issuers of securities to mutual funds, bankruptcy or insolvency

of issuers and potential segregation of portfolio by AMC in such circumstances; (ii) suspension of redemption facility in case the scheme faces liquidity crisis; (iii) risks associated with subscription to new fund offering of the scheme such as price volatility risk, liquidity risk and delisting risk; (iv) winding up of schemes on account of illiquid instruments, higher volume of redemption requests from the investors or on account of unforeseen market events.

- m. MFDs shall ensure that comparisons, if any, are made with similar and comparable schemes/ products along with complete facts.

## 5. Other obligations

- a. Individual MFDs shall obtain NISM certification and register themselves with AMFI and obtain ARN and Employee Unique Identification Number (EUIN) from AMFI. The NISM certification and AMFI registration shall be renewed on a timely basis. Non-individual MFDs shall register themselves with AMFI and obtain the ARN, and shall ensure that their sales personnel or Representatives engaged in marketing, sale and distribution of mutual fund products hold a valid NISM certificate and AMFI registration / EUIN. Employees of the MFD in other functional areas should also be encouraged to obtain appropriate NISM certification. MFDs shall quote a valid ARN and EUIN in the client's application / transaction feed, in order to place transactions in Regular Plan and receive commissions
- b. MFDs shall ensure that their Representatives undergo training on proper conduct for their sales, marketing and distribution activities and focusing on (i) awareness and understanding of their fiduciary obligations towards investors, (ii) adequate procedures to be followed in performance of their functions so as to prevent and detect any frauds and errors, and (iii) responsible usage of social media platform with respect to content standards, authenticity and approval for the information , frequency of usage and other ethical practices.
- c. MFDs shall co-operate with and provide assistance, to AMCs, AMFI, SEBI, competent authorities, due diligence agencies appointed by AMFI/AMCs (as applicable) in relation to their services to the AMCs including by providing copies of relevant documents of the investors in their possession as may be required by AMCs from time to time or as may be called for by SEBI/AMFI / competent authority pursuant to any investigation or other proceeding.
- d. MFDs shall promptly intimate the AMC and AMFI any change in the MFD's status, constitution, address, contact details or any other information provided at the time of obtaining ARN.

- e. MFDs shall refund to the AMCs, (either by set off against future commissions or by payment) all incentives of any nature, including commissions received, that are subject to clawback as per SEBI regulations or the terms and conditions issued by the respective AMC.
- f. MFDs shall immediately notify the AMC and AMFI, in writing, if any of its Representatives has committed any act amounting to moral turpitude, financial irregularities or has been arrested by the police or whose employment/service has been terminated on account of any of the aforesaid bad acts.
- g. Pursuant to Regulation 3 (3) of the SEBI (Investment Advisers) Regulations, 2013, MFDs shall not use terms such as Adviser / Advisor / Financial Adviser/ Investment Adviser/ Wealth Adviser/Wealth Manager/Wealth Managers, Consultant/s, etc. or any other similar name in their name, unless registered with SEBI as an Investment Adviser. The name of an MFD should reflect the registration held by the entity and should not in any way create an impression of performing a role for which the entity is not registered. The registered name of the MFD shall not contain any misleading phrase about the role of the entity. Thus, every MFD, while dealing in distribution of mutual fund schemes/products, should clearly specify to the client that he /she is acting as a MFD.

MFDs shall mention/display a tagline, “AMFI-registered Mutual Fund Distributor” along with / below their name, in a clear and legible font of at least font size 12, in all forms of printed communication. MFD shall display their name and tagline in a clear and legible font in all forms of communication i.e., website, mobile app, printed or electronic materials, business card, sign board etc.

## **6. Obligations towards integrity of the Mutual Fund industry**

- a. MFDs shall not indulge in fraudulent or unfair trade practices of any kind while marketing, selling or distributing any Mutual Fund scheme. MFDs and their Representatives must observe high standards of integrity and consistently conduct their dealings in a manner to uphold the professional image of the Mutual Fund industry.
- b. MFDs, shall refrain from making false or defamatory statements about any AMC, AMFI, Mutual Fund schemes or other MFDs in any private or public forum (including chat groups, social media, print or electronic press, conferences etc.). MFDs shall maintain professional decorum, provide fair and balanced perspective and not participate in transmitting untrue statements or rumors so as to malign any AMC or Mutual Fund scheme or bring disrepute to any AMC, AMFI or the Mutual Fund industry. Any written or oral communication should be based on facts and be presented in an unbiased manner so as not to mislead the public.

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## Questionnaire

Name of the Distributor:

ARN:

Assessment date:

1. Whether the Distributor is having presence/operating from more than 20 locations.
  
2. Provide list of locations
  
3. Whether the Distributor has raised AUM over Rs. 100 crore across the Mutual Fund industry in the non institutional category (retail) including high net worth individuals (HNIs).
  
4. If answer to 3. above is negative, provide details of AUM across mutual fund as at the last calendar quarter end.
  
5. Whether the Distributor has received Commission of over Rs.1 crore p.a across the Mutual Fund industry. (To check if this condition was satisfied during the last financial year)
  
6. Whether the IFA or Distributor has received over Rs. 50 lacs towards Commission from a single Mutual Fund. (To check if this condition was satisfied during the last financial year)

(Note: This information shall also be corroborated with the information available with ICICI Prudential Mutual Fund)

The above information is correct and complete in all respects.

### **Authorized Signatory**

For -----

Name: