



**REGISTRATION FOR SUBSCRIPTION/MAILBACK FACILITIES**

I/We would like to avail various subscriptions, mailback and other services provided by Helios Mutual Fund ('Fund')/ Helios Capital Asset Management (India) Private Ltd. ('AMC') which can be sent to me/us or requested by me/us via e-mail or under login. I/We hereby direct you to send the all reports and communications to me/us via E-Mail to the e-mail addresses mentioned above. I/We understand that data through Internet is not encrypted and is not a secure means of transmission. I/We acknowledge and accept that email transmission method involves the risks of possible unauthorized alteration of data and/or unauthorized usage thereof for whatever purposes by any unauthorized person(s). I/We agree to exempt you from any and all responsibility of such misuse, and hold you harmless for any costs or losses we may incur due to any errors, delays or problems in transmission or otherwise caused by using the Internet as a means of transmission. I/We will keep you and the Mutual Fund indemnified against any claims our investors may make in future on account of disclosing their transaction information to me/us via email. I/We confirm having received valid authorization from investors introduced by me/us, to view any details pertaining to their investments and will indemnify Helios Mutual Fund ('Fund')/ Helios Capital Asset Management (India) Private Ltd. ('AMC') against any claims by the investors for having received information. I/We wish to receive SMS and Email Alerts on my/our registered mobile no(s) and email id from Helios Capital Asset Management (India) Private Ltd.

Signature of Applicant

Place \_\_\_\_\_

Date 

D	D	M	M	Y	Y	Y	Y
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**DECLARATION & SIGNATURE**

This is to certify that \_\_\_\_\_ is a Individual/partnership/corporate/ proprietorship firm and all employees engaged in sales and distribution activities are AMFI certified and also have applied for/received their ARN photo ID cards/EUIN.

I/We declare that the information furnished herein above is true and correct to the best of my/our knowledge and belief and that, I/We am/are permitted to undertake the activities of distributing/selling units of the schemes managed by AMC. I/We further confirm that I/We abide and will abide by the terms and conditions stated overleaf/attached and amendments thereof, if any, communicated to me/ us in writing by AMC from time to time relating to my/our empanelment as distributor.

I/We will comply with the provisions of The Prevention of Money Laundering Act, 2002 and guidelines issued by Securities and Exchange Board of India and Association of Mutual Funds in India from time to time in this regard.

Place \_\_\_\_\_

Date 

D	D	M	M	Y	Y	Y	Y
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Signature / Authorised Signatory  
(please affix seal, if applicable,  
against your signature)**CHECK LIST OF DOCUMENTS TO BE SUBMITTED ALONGWITH THIS FORM**

Sr. No.	Documents	Individual/ IFA	Corporate	Trusts	Societies	Partnership Firms	HUF
1	Copy of AMFI Certificate	✓	✓	✓	✓	✓	✓
2	Copy of EUIN Card	✓	✓	✓	✓	✓	✓
3	Copy of AMFI Letter & ARN Card	✓	✓	✓	✓	✓	✓
4	Copy of PAN Card	✓	✓	✓	✓	✓	✓
5	Cancelled Cheque	✓	✓	✓	✓	✓	✓
6	Authorized Signatory List		✓	✓	✓	✓	
7	Board Resolution		✓				
8	MOA/ AOA		✓				
9	Trust Deed			✓			
10	Partnership Deed/ Deed of Declaration				✓	✓	
11	By Laws				✓		
12	Self Declaration Form	✓	✓	✓	✓	✓	✓

Website: [www.heliosmf.in](http://www.heliosmf.in)Email: [distributorcare@helioscapital.in](mailto:distributorcare@helioscapital.in)

Toll Free Number: 18002100168

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

**FOR OFFICE USE ONLY**

Branch : \_\_\_\_\_ Region : \_\_\_\_\_ Distributor Category : \_\_\_\_\_

Relationship Manager : \_\_\_\_\_

Regional/Zonal Manager : \_\_\_\_\_

## TERMS AND CONDITIONS

These Terms and Conditions of Empanelment as a Distributor of Helios Mutual Fund (Helios MF) are a binding contract between yourself and Helios Capital Asset Management (India) Private Ltd. for your appointment as a distributor of Helios MF to distribute units of the schemes of the Helios MF. 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:

The distributor shall read and understand the Offer Document and any addendum /notice issued thereto of the respective scheme(s) carefully and explain the market risks, investment risks, investment objectives, and the special features of the schemes to the investors. The distributor must not make any representation concerning Units or the Mutual Fund except those contained in the Offer Document of the respective scheme(s), the Key Information Memorandum containing Application Forms and printed information issued by the AMC as information supplemental to such documents.

- The Distributor and its employees who will be involved in distribution of units of the schemes of Helios MF must carry out such directions and instructions as may be issued by Helios MF from time to time and shall, always, comply with all the extant applicable laws, rules, regulations, guidelines, directions, etc.
- The Distributor shall use only the SID, SAI, KIM (including addendum) and marketing material as is provided to him by Helios AMC and the Distributor shall not design his own marketing material in respect of any scheme of Helios AMC unless he has obtained prior written approval of Helios AMC for the same.
- The Distributor shall at all times conduct himself with propriety and decorum and in a manner which is not prejudicial to the interest of Helios AMC/ Helios MF or its investors.
- The Distributor shall, at all times, comply with and adhere to the AMFI code of conduct for Distributors (enclosed herewith as Annexure), including any amendments thereto from time to time.**
- The distributor shall render necessary assistance to the AMC for providing the requisite documents evidencing the subscription by way of debit to the NRE / FCNR account of any NRI investor.
- The Distributor agrees not to distribute the products of Helios AMC to such investors who are prohibited from investing in India.
- The Distributor shall not in any way pledge or have any lien or charge on the properties of the HELIOS AMC, HELIOS MF, the trustee company of HELIOS MF or any investor, that are in its possession, towards the fees payable to the Distributor for the services rendered herein.
- HELIOS AMC shall have a right to call upon the Distributor to furnish any information or statistics, which the Distributor shall be bound to furnish.
- The Distributor shall neither use nor display the name, logo, mark or any intellectual property of HELIOS AMC/HELIOS MF (or any things identical thereto) in any manner whatsoever, except as permitted by HELIOS AMC.
- The distributor shall not receive cash on behalf of the AMC. The distributor is not authorized to issue any receipt for cash and demand drafts received along with the application form(s) on behalf of the AMC.
- The distributor hereby agrees to comply with the provisions of the Securities and Exchange Board of India (Mutual Funds), Regulations, 1996 as amended from time to time with specific focus on regulations /guidelines on advertisements/sales literature and comply with and adhere to the Code of Conduct and best practices prescribed for the intermediaries of Mutual Fund by Association of Mutual Funds in India (AMFI). The distributor shall also comply with circulars and adhere to guidelines issued by the Association of Mutual Funds in India (AMFI) and SEBI from time to time.
- The distributor shall provide self certification in the prescribed format certifying compliance with the provisions of the extant SEBI/Mutual guidelines/circulars, adherence to the Code of Conduct as prescribed by SEBI/AMFI for intermediaries of Mutual Fund. **If the said self certification is not provided, then the brokerage will be suspended within the prescribed timeline.**
- All distributors, personnel, sub-agents and representatives of the distributor engaged in sales and marketing of the units of the Schemes of Helios MF should be certified and registered with AMFI and should hold a valid ARN as required by SEBI.
- The Distributor shall do all acts, deeds and things necessary on behalf of the HELIOS MF / HELIOS AMC to enhance the investors' confidence and interest in the HELIOS MF and ensure that the interests and reputation of the HELIOS MF / HELIOS AMC are fully protected at all times and shall not undertake any obligation or incur any liability on behalf of the HELIOS MF /HELIOS AMC.
- The Distributor shall be responsible for resolving investor grievances or complaints arising directly from its own acts, omissions, gross negligence, misrepresentation, fraud, or mistakes, and shall extend reasonable assistance to HELIOS AMC in addressing any investor complaints received by HELIOS AMC that relate to or involve the Distributor's conduct.
- HELIOS AMC 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 HELIOS MF. The Distributor undertakes to:
  - Properly display such documents in its places of business;
  - Provide legible hard copies of such documents to investors/potential investors of HELIOS MF.
- Distributor confirms that the Distributor or its agent (if any) do not have any direct or indirect association with another person who;
  - Provides advice or any recommendation, directly or indirectly, in respect of or related to a security or securities, unless the person is registered with or otherwise permitted by the SEBI to provide such advice or recommendation; or
  - Makes any claim, of returns or performance expressly or impliedly, in respect of or related to a security or securities, unless the person has been permitted by the SEBI to make such a claim.Further, Distributor also confirms that, in future, the Distributor or its agents (if any) shall take prior approval of SEBI by registering as an 'Intermediary' pursuant to SEBI (Intermediaries) Regulations, 2008 and amendments made thereafter if Distributor or its agent if any intends to :-
  - Provide advice or any recommendation, directly or indirectly, in respect of or related to a security or securities;
  - Make any claim, of returns or performance expressly or impliedly, in respect of or related to a security or securities.
- At the time of soliciting investments from the investors, the distributor shall carry out risk profiling and product suitability of the investors for the schemes in which the investment being made.

### FEES AND CHARGES PAYABLE TO THE DISTRIBUTOR:

- The Commission and the periodicity of its payments for each scheme of the HELIOS MF will be decided by HELIOS AMC at its discretion. Further, HELIOS AMC 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 HELIOS MF subject to such other terms and conditions as may be applicable.
- HELIOS AMC 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 HELIOS AMC to ensure compliance with applicable regulatory requirements.
- The Distributor shall not have any right or claim against the HELIOS MF / HELIOS AMC, for any loss incurred by it due to any revision made by the HELIOS AMC in commission or any change of terms and conditions of distribution.
- In case the Distributor receives any commission or any other amount which is not due or payable to the Distributor, the HELIOS AMC / HELIOS MF shall be entitled to recover the same or adjust all such amounts as are paid wrongly or by mistake to the Distributor.

- The commission / brokerage payable by the HELIOS AMC in respect of distribution of Mutual Fund Units by the Distributor will be as per the brokerage structure as may be notified by HELIOS AMC from time to time and will be inclusive of all taxes, cesses, charges and levies.

### INDEMNITY:

- The Distributor hereby declares and covenants to defend, indemnify and hold HELIOS AMC 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:
  - Any breach of terms, covenants and conditions or other provisions hereof, or any SID(s) / SAI or any actions or omissions there under;
  - Any failure to comply with all applicable legislation, statutes, ordinances, regulations, circulars administrative rulings or requirements of law;
  - The misfeasance, malfeasance, negligence, defaults, misconduct or fraudulent acts of & by the Distributor or its representatives, employees, directors, agents, representatives; and
  - 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.
  - Fraudulent, improper, incorrect, wrongful or negligent performance, work, service, act or mission by the Distributor including any of its employees, and representatives;
  - Willful misconduct of the Distributor or any of its employees, Distributor (including sub-Distributor) and representatives.
  - 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:

- The appointment of the Distributor shall continue to remain in full force and effect unless terminated by HELIOS AMC or the Distributor, in accordance with the provisions contained herein. HELIOS AMC shall be entitled to terminate the engagement of the Distributor forthwith, if:
  - 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;
  - It is found that the Distributor has knowingly participated in or connived in any fraud, dishonesty or misrepresentation against HELIOS AMC / HELIOS MF or any unit holder of HELIOS MF.
  - Any statement made by the Distributor in the Distributor Empanelment Form is found to be false or misleading or intended to mislead.
  - The Distributor conducts or acts in any manner, which is deemed prejudicial to the interest of HELIOS AMC / HELIOS MF or the investor.
  - The Distributor does not comply with all applicable legislations, statutes, ordinances, regulations, administrative rulings or requirements.
  - The Distributor remains inactive in business with HELIOS AMC for a considerable period of time, as decided by HELIOS AMC from time to time. HELIOS MF also reserves the right to suspend brokerage under such cases.
- Further, HELIOS AMC 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 HELIOS AMC at any time by giving a 30 (thirty) days' written notice to HELIOS AMC. Further, the distributor may be suspended on the advise of AMFI.
- The engagement of Distributor shall stand automatically terminated, without notice from HELIOS AMC, upon disqualification or withdrawal of necessary authorisation(s) of the Distributor.
- Upon any termination, the distributor shall forthwith return to HELIOS AMC all documents, papers and material pertaining to and / or belonging to HELIOS AMC / HELIOS MF.

### CONFIDENTIALITY:

- Distributor shall keep confidential all information received from Helios AMC/ Helios MF/ its Registrars pursuant to this Agreement, save and except which may be required to be disclosed under law. Such information being used only for the purpose for which it was shared, purged as soon as the data is no longer required and not shared with any vendor/other entity without explicit AMC approval or customer consent. Distributors and their representatives shall maintain confidentiality of all information relating to AMC and its investors and shall not share data with group companies for cross marketing.
  - Distributor shall inform Helios AMC/ Helios MF/its Registrars of receipt of any such communication/notice/intimation to enable AMC to take appropriate action, if required.
  - Distributor shall disclose Confidential Information or permit disclosure of Confidential Information to its employees or agents or Service Provider only on NEED TO KNOW basis.
  - The covenants of confidentiality set forth herein shall survive and continue and be maintained from the date hereof even after the discontinuation of empanelment.

### MISCELLANEOUS:

- HELIOS AMC reserves the sole right and discretion to change the status category of the Distributor.
- The empanelment of the Distributor as a distributor of HELIOS MF shall be on a non-exclusive basis. The relationship between HELIOS AMC and the Distributor is that of principal to principal and does not create any agency relationship or employee-employer relationship between Helios AMC and the Distributor.
- The Distributor shall not have any claim against HELIOS AMC /HELIOS MF for any loss, actual or notional, incurred by him on account of any revision in the rate(s) of fee by HELIOS AMC.
- In respect of all disputes arising under this engagement, the courts at Mumbai alone shall have jurisdiction, in accordance with the laws of India.
- The nominee of the individual distributor will receive trail commission only for those assets which were procured by the deceased Distributor during the validity of his ARN prior to his demise.
  - The nominee will receive trail commission on SIP investments post demise of distributor. In case of any payment made between the period of actual date of demise and date of intimation of demise, the amount paid shall be recovered from the nominee.
  - No new systematic transactions or changes to existing systematic transactions can be registered under the ARN code of the deceased Distributor.
- The empanelment of the Distributor as a distributor of HELIOS MF is subject to written confirmation from HELIOS AMC. The Distributor shall promptly provide on periodic basis such written declaration /confirmations along with supporting documents as required by the HELIOS AMC to ensure compliance with all applicable laws/rules/regulations/guidelines/SEBI/ AMFI circulars.

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 Helios AMC 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 Helios AMC taking any disciplinary action against me/us or any of my/our employee or representative who is found violating this regulations/code of conduct.

I/We agree to provide all the documents to Helios MF/ Helios AMC, in order to comply with the provisions of Know Your Distributor norms laid down by AMFI/SEBI as amended from time to time.

I/We hereby confirm and declare that I/We have read and understood these 'Terms & Conditions' of empanelment as a Distributor and agree to abide by the same.

<b>Date:</b>	<b>Signature:</b>	<b>Place:</b>	<b>ARN Name:</b>
			<b>ARN Code:</b>



## **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 AMC 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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