



ASSOCIATION OF MUTUAL FUNDS IN INDIA

01-Nov-2023

Scripbox.Com India Pvt Ltd
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BANGALORE- 560008

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Dear Sir/Madam,

Sub: Renewal of AMFI Registration

With reference to your application for renewal of your AMFI Registration, we are pleased to inform you that the same has been renewed as per details given below :

Name: Scripbox.Com India Pvt Ltd
AMFI Registration Number : ARN-84967
Validity period from: 27-Feb-2024 to 26-Feb-2027

Please ensure that the ARN is renewed well before expiry of validity period so as to ensure that your firm is eligible to continue to promote / distribute mutual fund products and receive commissions from the asset management companies without any break.

As you are aware, before being engaged in selling and marketing mutual fund products, your employees are required to (a) pass 'NISM Series V-A : Mutual Fund Distributors Certification Examination' and (b) register with AMFI and have obtain Employee Unique Identification Number (EUIIN), under the abovementioned ARN of your firm, in compliance with the SEBI regulatory guidelines. They too are required to renew their EUIIN before the expiry of validity period thereof, for which they need to either clear the 'NISM Series V-A : Mutual Fund Distributors Certification Examination' or attend the 'NISM Series V-A : MFD Continuing Professional Education (CPE) program' of NISM. Further all such employees need to mention/print their EUIIN on the mutual fund application forms for the business canvassed by the respective employees, alongside the ARN of your firm.

You are also advised to ensure strict compliance with AMFI Code of Conduct for Intermediaries of Mutual Funds, which is available on our website (www.amfiindia.com) by your organization as well as all your employees engaged in selling and promoting / distribution of mutual fund products.

With regards,
For **Association of Mutual Funds in India**,

Dy. Chief Executive



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:



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.
