CODE OF CONDUCT FOR INTERMEDIARIES OF MUTUAL FUNDS

1. Take necessary steps to ensure that the clients' interest is protected.

2. Adhere to SEBI Mutual Fund Regulations and guidelines related to selling, distribution and advertising practices. Be fully conversant with the key provisions of the offer document as well as the operational requirements of various schemes.

3. Provide full and latest information of schemes to investors in the form of offer documents, performance reports, fact sheets, portfolio disclosures and brochures, and recommend schemes appropriate for the client's situation and needs.

4. Highlight risk factors of each scheme, avoid misrepresentation and exaggeration, and urge investors to go through offer documents/key information memorandum before deciding to make investments.

5. Disclose all material information related to the schemes/plans while canvassing for business.

6. Abstain from indicating or assuring returns in any type of scheme, unless the offer document is explicit in this regard.

7. Maintain necessary infrastructure to support the AMCs in maintaining high service standards to investors, and ensure that critical operations such as forwarding forms and cheques to AMCs/registrars and despatch of statement of account and redemption cheques to investors are done within the time frame prescribed in the offer document and SEBI Mutual Fund Regulations.

8. Avoid colluding with clients in faulty business practices such as bouncing cheques, wrong claiming of dividend/redemption cheques, etc.

9. Avoid commission driven malpractices such as:

(a) recommending inappropriate products solely because the intermediary is getting higher commissions therefrom.

(b) encouraging over transacting and churning of mutual fund investments to earn higher commissions, even if they mean higher transaction costs and tax for investors.

10. Avoid making negative statements about any AMC or scheme and ensure that comparisons if any, are made with similar and comparable products.

11. Ensure that all investor related statutory communications (such as changes in fundamental attributes, exit/entry load, exit options, and other material aspects) are sent to investors reliably and on time.

12. Maintain confidentiality of all investor deals and transactions.

13. When marketing various schemes, remember that a client's interest and suitability to their financial needs is paramount, and that extra commission or incentive earned should never form the basis for recommending a scheme to the client.

14. Intermediaries will not rebate commission back to investors and avoid attracting clients through temptation of rebate/gifts etc.

15. A focus on financial planning and advisory services ensures correct selling, and also reduces the trend towards investors asking for passback of commission.

16. All employees engaged in sales and marketing should obtain AMFI certification. Employees in other functional areas should also be encouraged to obtain the same certification.