**CHECK LIST FOR MUTUAL FUND INTERMEDIARY**

| **Sr. No** | **List of Document** | **Annexure** | **Individual** | **Partnership** | **Corporate** |
| --- | --- | --- | --- | --- | --- |
| 1 | Letter of Application by Stock Broker.  | I | Applicable | Applicable | Applicable |
| 2 | Certified true copy of Board Resolution for Corporates / Partners authorization in case of partnership firm.  | II | Not Applicable | Applicable | Applicable |
| 3 | Undertaking to be given with the Letter of application.  | III | Applicable | Applicable | Applicable |
|  | * *Undertaking should be on a stamp paper of Rs. 300/- or franking of Rs. 300/- duly Notorized*
* *The Stamp Paper must be in the name of the member executing the undertaking*
* *Contents of the undertaking is STRICTLY as per format*
* *The validity of the Stamp Paper being 6 (six) months, must be executed within that period.*
* *Signature on all the pages by the authorised signatories as per Exchange records. (minimum two in case of Corporates)*
* *Notary date should not be before the date of Execution of agreement. The Notary Stamp is stamped on all the pages*
* *The Notary’s name and address along with his signature appears on the last page*
* *Company’s stamp must be affixed on the said undertaking.*
* *If more than one stamp paper is used, the details given during starting of the undertaking must be typed and signed. The same must be stated on each Stamp Paper*
 |  | Applicable | Applicable | Applicable |
| 4 | Fit & Proper Undertaking | IV | Applicable | Applicable | Applicable |
| 5 | Certified Copy of the ARN and AMFI certification | -- | Applicable | Applicable | Applicable |
| 6 | Certified Copy of the EUIN | -- | Applicable | Applicable | Applicable |
| 7 | Certified copy of Memorandum and Article of Association & Incorporation Certificate | -- | Not Applicable | Not Applicable | Applicable |
| 8 | Certified copy of Partnership Deed along with Registrar of Firm copy | -- | Not Applicable | Applicable | Not Applicable |
| 9 | Latest Audited Balance Sheet, Profit & Loss Statement with Schedules as on date of Networth | -- | Applicable | Applicable | Applicable |
| 10 | Stock Broker Insurance Indemnity Policy | -- | Applicable | Applicable | Applicable |
| 11 | Bank Details | V | Applicable | Applicable | Applicable |
| 12 | Bank Confirmation Letter | VI | Applicable | Applicable | Applicable |
| 13 | Depository Details. *(along with copy of CDSL & NSDL client master)* | VII | Applicable | Applicable | Applicable |

**Annexure-I**

**(On letterhead of the Member)**

|  |  |
| --- | --- |
| To, Membership Department Indian Commodity Exchange Ltd.(ICEX)Reliable Tech Park, 403-A, B-Wing, 4th Floor, Thane-Belapur Road Airoli, Navi Mumbai – 400 708  | To, Membership DepartmentMetropolitan Clearing Corporation of India Ltd4th Floor, Vibgyor Tower,Opp. Trident Hotel, Bandra Kurla Complex,Bandra (East), Mumbai - 400098 |

Dear Sir / Madam,

**Sub: Application for permission to act as Mutual Fund Intermediary and operate through ICEX-MF Platform**

We, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Name of the member) Trading Member / Clearing Member of ICEX / MCCIL (having Trading Member/Clearing Number\_\_\_\_\_\_\_\_\_\_\_\_\_\_ hereby apply for the permission of ICEX / MCCIL for acting as Mutual Fund Intermediary (MFI) in our capacity as empanelled distributor for selling and marketing of mutual funds units through the ICEX-MF, the electronic platform provided by ICEX to the extent permissible.

We are registered with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ <MFs/AMCs> and hereby seek your permission to offer their products through your ICEX-MF platform. (Please attach separate sheet as Annexure, if required)

We understand that the clearing and settlement processes related to mutual fund activities done on the ICEX-MF platform are handled by Metropolitan Clearing Corporation of India Ltd and undertake that we will facilitate such settlement processes for our clients through MCCIL.

We confirm that we have read and understood all the applicable SEBI guidelines, circulars, etc. and are conversant with the conditions stipulated by SEBI vide their circular SEBI/IMD/CIR/ no.11/183204/2009 dated November 13, 2009 and no. CIR/IMD/DF/17/2010 dated November 09, 2010 and any amendments thereto. We also undertake to comply with and be bound by the circulars issued/ that may be issued by ICEX / MCCIL, SEBI, RBI and any other statutory and regulatory bodies, from time to time.

We hereby confirm that our ARN Code is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and do hereby certify that all the persons / employees engaged in this activity have passed AMFI/NISM certification examination as per SEBI circular no. MFD/CIR/10/310/01 dated 25th September, 2001 and NISM communique ref. NISM / Certification / Series- V-A: MFD / 2010 / 01 dated May 05, 2010.

Attached along with the application are following information:

1. Undertaking to abide by the terms and conditions, rules and regulations of the Mutual Fund Schemes and for continual compliance of following SEBI circulars and/or further circulars to be issued from time to time:

a. MFD/CIR/06/210/2002 dated 26/6/2002

b. MFD/CIR/20/23230/02 dated 28/11/2002

c. SEBI/IMD/CIR/No.4/168230/09 dated 30/6/2009

d. SEBI/IMD/Cir No.8/174648/09 dated 27/8/2009

e. SEBI/IMD/CIR/ no.11/183204/2009 dated November 13, 2009

f. CIR/IMD/DF/17/2010 dated November 09, 2010

1. Certified copies of AMFI/NISM Certification examination for all the persons engaged.
2. Board Resolution of applicant stock broker for obtaining the said permission
3. Copy of letter containing the ARN allotted by AMFI.
4. Name and number of designated Clearing Bank account for funds settlement (separate account to be opened with any one of the MCCIL designated Clearing Banks)
5. Details of CDSL and NSDL Pool Accounts opened by the member for facilitating transactions in units received from Exchange to be given to clients.

We agree and undertake that we shall execute, sign, and subscribe, to such documents, papers, agreements, covenants, bonds and/or undertakings as may be required by ICEX / MCCIL from time to time in relation to the mutual fund activities.

We certify that all the statements are true and correct to the best of our knowledge. We are aware that in case any of the statements are found to be incorrect or false, we are liable for disciplinary action, which may result in suspension/termination of the membership.

We request you to grant us permission and necessary login ids, etc. for enabling us to act as a **Mutual Fund Intermediary (MFI)** through “ICEX-MF” platform for the above mentioned MF(s)/AMC(s) schemes and/or any other MF(s)/AMC(s) schemes with whom we may enter into similar arrangement in future.

The necessary undertakings, as prescribed by you are enclosed to this application.

Date:

Place:

**Name of the Member**

**Name & Signature of Applicant/ Designated Director/ Partner/ Authorised Signatory under rubber stamp**

**Annexure-II**

**(For Corporate)**

**BOARD RESOLUTION**

**TRUE COPY OF THE EXTRACTS OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (NAME OF THE COMPANY) HELD ON \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (DATE) AT \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (VENUE)**

**RESOLVED THAT** the Company having membership with Indian Commodity Exchange Limited (ICEX) in the Commodity Derivatives segment / shall act as Mutual Fund Intermediary (MFI) in the Mutual Fund segment of ICEX.

**RESOLVED FURTHER THAT** Mr. /Ms. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (name with designation) and Mr./Ms. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (name with designation) be and are hereby jointly and severally authorized do all such acts as may be required and also to execute all documents / agreements/undertakings on behalf of the company for all matters related to Indian Commodity Exchange Limited and Metropolitan Clearing Corporation of India Ltd.

# FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(Signature)

Name:

Designation:

COMPANY ROUND STAMP / SEAL

DATE

PLACE

|  |  |
| --- | --- |
| **Name of / Authorized Signatory** | **Specimen Signature** |
|  |  |
|  |  |

**Annexure-II**

**(For Partnership)**

**(On letter-head of applicant)**

**Undertaking from all partners authorizing the Managing Partner**

We member of Indian Commodity Exchange Limited (ICEX) in the Commodity Derivatives segment do hereby apply to act as Mutual Fund Intermediary (MFI) in the Mutual Fund segment of ICEX**.**

Further, Mr./Ms. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Name of the 1st Managing Partner) or Mr./Ms. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Name of the 2nd Managing Partner) or \_\_\_\_\_\_\_\_\_\_\_\_ (name of the Partner as per the Exchange records) or \_\_\_\_\_\_\_\_\_ (name of the Partner as per the Exchange records) of the firm are jointly and severally authorized to do all such acts as may be required and to sign and execute all documents / agreements/undertakings on behalf of the firm for all matters related to Indian Commodity Exchange Limited and Metropolitan Clearing Corporation of India Ltd.

|  |  |
| --- | --- |
|  Name of All Partners  | Signature  |
|  |  |
|  |  |
|  |  |

Date:

Place:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of Managing Partner Signature of Managing Partner

Name of Managing Partner Name of Managing Partner

**Annexure-III**

**Format of undertaking on stamp paper of Rs.300 duly notarized**

This undertaking is given at ……………………. this............ Day of ...................................., 20 .. .

|  |  |
| --- | --- |
| To, Membership Department Indian Commodity Exchange Ltd.Reliable Tech Park, 403-A, B-Wing, 4th Floor, Thane-Belapur Road Airoli, Navi Mumbai – 400 708  | To, Membership DepartmentMetropolitan Clearing Corporation of India Ltd4th Floor, Vibgyor Tower,Opp. Trident Hotel, Bandra Kurla Complex,Bandra (East), Mumbai - 400098 |

Indian Commodity Exchange Ltd (hereinafter called **"ICEX" or “Exchange”** (Which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns)

Metropolitan Clearing Corporation of India Ltd (hereinafter called **"MCCIL" or “Clearing Corporation”** (Which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns)

**BY**

………………………………………………………………………………………………………………..

**Regd office address** ………………………………………………………………………………………...

……………………………………………………………………………………………………………......

Hereinafter called "The Member” (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include their successors and permitted assigns).

**WHEREAS,**

The Member is admitted to the trading membership of ICEX and therefore permitted to trade in the Mutual Fund segment. The undersigned is/are also registered with Association of Mutual Funds of India as an Advisor with **AMFI Registration Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**.

The Member is desirous of participating in the “ICEX-MF” offered by ICEX. The Undersigned approached ICEX to register the Undersigned as Mutual Fund Intermediary (MFI) for the purpose of participating in the “ICEX-MF”.

The Member having been permitted to participate in the aforesaid “ICEX-MF”, by ICEX, undertakes in the manner and on the terms stated herein below:-

IN CONSIDERATION OF THE FOREGOING, THE MEMBER AGREES AND UNDERTAKES AS UNDER:

1. I/We shall abide by the terms and conditions as mentioned in the Exchange/Clearing Corporation circular dated Ref. No: **ICEX/MEM/2019/600** dated **December 24, 2019** issued in relation to the “ICEX-MF” by ICEX /MCCIL and the Circulars issued from time to time by ICEX/ MCCIL.
2. I/We shall ensure compliance with the requirements specified in SEBI circular MFD/CIR/10/310/01 dated September 25, 2001 regarding passing the AMFI certification examination and such other requirements as may be specified from time to time by Securities and Exchange Board of India (SEBI) and AMFI and any other regulatory authority for market intermediaries in the business of mutual fund units.
3. I/We shall also comply with the requirements in SEBI circulars dated MFD/CIR/06/210/2002 dated June 26, 2002, MFD/CIR/20/23230/02 dated November 28, 2002 and SEBI / IMD / CIR No. 8 /174648 / 2009 dated August 27, 2009, applicable to intermediaries engaged in selling and marketing of mutual fund units and also abide by the Code of Conduct as may be prescribed by SEBI or AMFI as the case may be from time to time with respect to dealing in mutual fund units.
4. I/We shall ensure that all investors read and understand the contents of the Scheme Information Document and Key Information Memorandum, addenda issued regarding each Mutual Fund Schemes with respect to which I/we choose to subscribe/redeem. I/We further agree to abide by the terms and conditions, rules and regulations of the Mutual Fund Schemes.
5. I/We undertake to comply with SEBI Circular no. SEBI/IMD/CIR/No.4/168230/09 dated June 30, 2009 and such other Circulars as may be issued from time to time and shall disclose to investors all the commissions (in the form of trail commission or any other mode) payable to me/us for the different competing schemes of various mutual funds from amongst the scheme recommended to my/our investors.
6. I/We shall execute, sign, and subscribe, to such documents, papers, agreements, covenants, bonds and/or undertakings as may be required by ICEX/MCCIL from time to time including any and all agreements in relation to mutual fund activities and agree and undertake to abide by them.
7. I/We agree that we are responsible to collect funds from the customers at the time of making investment and make it available to ICEX/MCCIL in time, for onward remittance to respective Mutual Fund/AMC and also liable to pay the proceeds of the surrendered units to the respective customers immediately upon receipt of proceeds of surrendered MF Units of the customers concerned.
8. I/We also authorize ICEX/ MCCIL to give any undertaking as may be required, to AMC/MFs/MCCIL/Depositories or any other required entity that, we as member of the ICEX and as a Financial Intermediary/Mutual Fund Distributor, shall ensure compliance of all requirements including but not limited to furnishing complete, correct and timely data of customers, as applicable to Mutual Fund Schemes and also to ensure KYC compliance in respect of all the customers/clients and undertake to hold copies of relevant documents in our records. I/We also undertake to hold myself/ourselves responsible to indemnify ICEX/ MCCIL against any cost, liability, damage etc., which are attributable to non-compliance of KYC norms, in incomplete or wrong and/or delayed submission of data and to any other non-compliance by us, in addition to being liable to such disciplinary action as may be decided by ICEX/ MCCIL from time to time, provided further that we also undertake to abide by Byelaw, Rules Regulations of the ICEX/MCCIL including the process of Disciplinary Action as applicable to trading members of ICEX/ MCCIL.
9. I/We also undertake that we shall adhere to the Investors’ grievance redress mechanism that may be put in place by the ICEX/ MCCIL to the extent of dispute between the investor/customer who may invest in Mutual fund units through us, facilitated through ICEXMF platform, and/or Mutual Fund/AMC/ICEX/MCCIL.
10. We here confirm that it shall also be our sole responsibility to make timely pay-ins for the investment applications processed and to do payouts to respective clients in respect of surrender/encashment of units of Mutual funds.
11. We undertake that Unit/s may not be directly or indirectly marketed, offered or sold in the United States of America or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of nationals or residents thereof, unless (i) pursuant to an exemption from registration requirements available under US law, any applicable statute, rule or interpretation; and (ii) as per the terms and conditions for acceptance of subscriptions from a US person as intimated by the AMC from time to time. In the absence of written notice to the AMC to the contrary, if a potential Customer provides a non-U.S. address on the application form for investment in the Unit/s, this will be deemed to be a representation and warranty from such Customer that he/she/it is not a U.S. Person and that such Customer will continue to be a non-U.S. Person unless and until the AMC is otherwise notified of a change in the Customer’s U.S. Person status.
12. We also confirm that the term “US Person” shall mean any person that is a United States person within the meaning of Regulation S under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission, as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.
13. We further undertake that units shall not be directly or indirectly marketed, offered or sold in Canada or residents of Canada.
14. We further undertake that units shall not be directly or indirectly marketed, offered or sold in Canada or residents of Canada.
15. We shall, in our database, record each Customer’s bank account specifying whether the account is resident Indian/ Non- resident Indian/ Overseas corporate body/ foreign institutional investor. Further all non-resident accounts shall be marked as Non Resident External Account (NRE) or Non Resident Ordinary Account (NRO), as the case may be. Where the Customer is Non- resident Indian (NRI), we shall execute the aforesaid transactions only if it reasonably appears to us that the NRI has undertaken compliance with all relevant laws (including the Foreign Exchange Management Act, 1999 (of India) (FEMA) and rules and regulations thereunder) as applicable to the Customer, as well as other laws governing the Customer. In respect of transactions done by NRI customers on a repatriable basis, we shall arrange to obtain and furnish a confirmation of the source of funds from the customer, issued by his banker, where payout of proceeds is to be done directly to the investors account by AMC. In case of non-receipt of a confirmation of the source of funds from investor’s banker or from us, the dividend/redemption proceeds will not be credited to the investor’s re-patriable account.
16. We confirm that in the event of the Mutual Fund rejects or redeems any investment routed by us though ICEX-MF, for the reason of incomplete information or on account of wrong information furnished by us, or an account of non-compliance of any requirement on our part, we shall be liable to indemnify ICEX/MCCIL against any consequent loss, damage and claim.
17. In consideration of permitting us to act as Mutual Fund Intermediary and use ICEX-MF platform we undertake to pay the charges as may be decided by SEBI / ICEX / MCCIL from time to time.
18. We confirm that nature of transactions envisaged in respect of Mutual Fund Transactions are of not in nature of Trades as envisaged in Bye Laws, Rules Regulations of ICEX/MCCIL and hence, we are aware that the benefit of Settlement Guarantee Fund and Investment Protection Fund will not available in respect of the Mutual Fund Transactions and we undertake to make it known to the clients who invest in Mutual Fund Units.
19. Notwithstanding anything contained hereinabove, I/we agree to indemnify ICEX/MCCIL against any costs, damage, loss that may be incurred by ICEX/MCCIL attributable to non-compliance of any requirement, regulatory or otherwise, as may be applicable and/or that may arise from breach of any undertaking given to ICEX/MCCIL, by us, from time to time.
20. We confirm that we shall abide the requirements that may be prescribed by MCCIL who will be carrying out clearing and settlement of the mutual fund transactions made through ICEX-MF and wherever the undertaking given hereinabove entails the dealings with the Clearing Corporation, the contents of this undertaking deemed to have been given in favour of MCCIL also, including indemnity undertaken herein.

IN WITNESS WHEREOF, the parties hereto have set their hands and signatures on **Date** **Month** **Year**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Name of the Member)**

Signature 1 ………………………… Signature 2……………

Rubber Stamp Rubber Stamp

Witnesses:

1. Name: …………….. Signature……………….

Address: ………………………………………………………………………………

2. Name: …………….. Signature………………

Address: ………………………………………………………………………………

**Detailed Guidelines relating to the ICEX MF platform**

With an objective to facilitate orderly use of ICEX-MF facility and to make various conditions and /or requirements governing the use of ICEX-MF facility in a transparent manner and to have its due and strict compliance, the scheme containing various terms / conditions is formulated as under:-

For the purpose of this scheme,

“ICEX-MF” means a facility where the MFIs can buy / redeem units of eligible mutual fund schemes using network and order collection mechanism provided by ICEX and clearing & settlement mechanism provided by MCCIL in order to facilitate such activities.

MFI means a trading member/clearing member of the Exchange/Clearing Corporation who is registered with Association of Mutual Funds of India (AMFI) as Mutual Fund Advisor and who has empanelled with the specific Asset Management Company of a Mutual Fund.

**Rights of the Exchange/Clearing Corporation:**

1. The Exchange/ Clearing Corporation shall be entitled to amend its statutory requirements, instructions, circulars, etc at its sole discretion, and the MFI shall be deemed to have consented to them, and accordingly be bound by the statutory requirements, instructions, circulars, etc. prevailing from time to time.
2. The Exchange/ Clearing Corporation may take such disciplinary action, as it deems fit, against the MFI in its capacity as a trading member for its failure to perform its obligations, in respect of units purchased/repurchased/ redeemed by clients through the ICEX-MF platform.

**General**

1. The MFI may be entitled by giving at least one month written notice, to request the Exchange/Clearing Corporation to withdraw the ICEX-MF facility granted to the MFI and ICEX/MCCIL shall deactivate the MFI from ICEX-MF platform notwithstanding this, surrender of membership shall be guided by applicable Bye-law/Rules/Regulations of ICEX/MCCIL.
2. The MFI shall indemnify the ICEX/MCCIL against any loss or damage including liabilities arising out of as a result of the ICEX/MCCIL permitting the MFI to avail the facility of the ICEX/MCCIL;

**Terms and Conditions**

1. The MFI shall comply with all such requirements, existing and future with regard to and in connection with the participation in the ICEX-MF platform;
2. The MFI shall abide by the statutory requirements including the operating guidelines, instructions, circulars etc. issued by the ICEX/MCCIL from time to time;
3. The MFI shall maintain and preserve such information, records, books and documents pertaining to Mutual Fund Transactions made though ICEX-MF for such period as may be specified by the ICEX/MCCIL from time to time;
4. The MFI shall permit the ICEX/MCCIL or any other authority appointed by it, to inspect hardware, software, systems of the MFI as may be required therefore;
5. The MFI shall permit the ICEX/MCCIL or any other authority appointed by it for inspection, access to all records, books information, documents as may be required therefor;
6. The MFI shall submit periodic reports, statements, certificates and such other documents as may be required by the ICEX/MCCIL, and shall comply with such audit requirements as may be framed specially by the ICEX/MCCIL from time to time; provided further that the audit shall mean any one or more among Performance Audit, Special Audit, Investigative Audit including forensic audit at the discretion of ICEX/MCCIL ordered by ICEX/MCCIL and conducted by ICEX/MCCIL or by the auditors appointed by ICEX/MCCIL.
7. The MFI understands and undertakes that if the MFI commits a breach or violation of the statutory requirements or any instructions or circulars of the ICEX/MCCIL, the ICEX/MCCIL may take suitable action including the withdrawal/termination of permission to the MFI to use the ICEX-MF platform or levy penalty on the MFI or order payment of compensation as may be determined by the ICEX/MCCIL. The MFI agrees that the penalty/compensation determined and imposed/ordered by the ICEX/MCCIL as mentioned above shall be final and binding on the MFI.
8. The MFI shall conduct business availing the ICEX-MF platform facility prudently and shall ensure that it will not be prejudicial or detrimental to public interest in general, and to the ICEX/MCCIL in particular;
9. If any difference/dispute shall arise between the parties as to the interpretation, meanings or effect of these terms and conditions or as to the rights and liabilities of the MFI or as to any other matter relating to transaction made through ICEX-MF, the interpretation of the ICEX/MCCIL shall be final and binding on the MFI;
10. The MFI shall abide by the instructions, circulars introduced/ modified by the ICEX/MCCIL from time to time. with/without prior notice;
11. The MFI shall use ICEX/MCCIL infrastructure facilities and equipment only for the purpose for which they are permitted to be used;
12. ICEX/MCCIL shall not be held responsible or liable for any failure of computer systems, telecommunication network and other equipment installed at the offices of the MFI and the ICEX/MCCIL shall also not be held responsible for any misuse, mishandling, damage, loss, defect etc. and the ICEX/MCCIL has the right to inspect and supervise all computer systems, software programs, telecommunications equipment etc, which are provided by the ICEX/MCCIL at the office of the MFI and the MFI shall not make any alterations, modifications and changes without prior written consent of the ICEX/MCCIL;
13. The MFI shall not disclose, reveal, publish and advertise any material information relating to operations, registration as a MFI, software, hardware, etc. of the ICEX/MCCIL without prior written consent of the ICEX/MCCIL except and to the extent as may be required in the normal course of its business;
14. The MFI shall indemnify the ICEX/MCCIL against any loss or damage including liabilities arising out of as a result of the ICEX/MCCIL permitting the MFI to avail the facility of the ICEX/MCCIL;
15. The MFI has obtained all necessary approvals, registrations and certifications required from relevant authorities for the purpose of participating in the ICEX-MF facility and shall ensure that such approvals registrations and certifications will remain in force including by taking prompt steps for the renewal of the same;
16. The MFI shall ensure that the investor or client has registered as a client of the MFI as per terms and conditions specified by the ICEX/MCCIL from time to time;
17. The MFI shall comply with all the statutory and other applicable requirements relating to anti money laundering and/or Know Your Client (KYC) guidelines issued and amended from time to time by SEBI and any other regulatory authorities in India;
18. The MFI shall provide complete and correct details of the application of their clients for transaction in units on the ICEX-MF platform ;
19. The MFI shall expressly mention/specify to the client in writing that pursuant to completion of successful transaction on the ICEX-MF, the subscription money will be debited from the MFI’s account with the ICEX/ MCCIL; The MFI shall provide sufficient funds in Clearing Bank account before specified time as mentioned by the ICEX/ MCCIL from time to time for purchase of units of schemes of Mutual Fund and in case of redemption, the relevant units received from ICEX/ MCCIL in their Pool Accounts, to their clients; provided further that the MFI shall furnish necessary authority to the bank to enable ICEX/ MCCIL , to raise debits in respect of investment and charges if any, and afford credits in case of redemption, in the MFI’s Bank account to carry out the transactions in respect of investment and redemption of Mutual Fund units.
20. ICEX/ MCCIL shall not be responsible or liable for non-receipt of subscription amount or delay in receipt of subscription amount for purchase of units of schemes of Mutual Funds by the MFI from their clients or for non-receipt/delay of subscription units from the respective AMC/RTA; and similarly the ICEX/MCCIL shall not be responsible for paying the proceeds of redeemed MF Units to respective customer after effecting the payout by ICEX/ MCCIL to the account of MFI.
21. The MFI will inform the client and keep him apprised about settlement cycles, delivery/payment schedules, and any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the ICEX/ MCCIL;
22. The MFI will ensure that the money deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the MFI for stock broking operations for himself/itself or for any other client or for any purpose other than the purposes mentioned in SEBI Rules and Regulations circulars / guidelines and circulars of the ICEX/MCCIL;
23. The MFI shall maintain the details of the client as mentioned in the client registration form or any other information pertaining to the client in confidence and that it shall not disclose the same to any person/ authority except as required under any law/regulatory requirements;
24. The MFI shall maintain separate books of account for stock broking business, commodity broking business and Mutual Fund units business;
25. The MFI shall not withhold money’s due and payable to a client in stock broking business / commodity broking business for dues arising out of Mutual Fund unit business under the ICEX; until and unless such withholding is specifically permitted by the customer/investor.
26. The MFI shall not charge fees to the investor more than the maximum permissible as prescribed by the ICEX/MCCIL or SEBI;

In case of any dispute between the MFIs and the investors arising out of the ICEXMF platform facility, the ICEX/MCCIL agrees to extend the necessary support for the speedy redress of the disputes and in this regard the MFI shall abide by the Grievance Redress Mechanism that may be put in place by the ICEX/MCCIL. However the benefits of Settlement Guarantee Fund and Investors’ Protection Fund shall not be available to the claim arising out or mutual fund transactions.

**Important Points for MFI and Clients:-**

1. Depository settlement is available for DP accounts held in BOTH Central Depository Services Limited (**CDSL**) and National Securities Depository Ltd. (**NSDL**).
2. While entering order for Depository settlement, MFI should ensure that client details should appear in same order as per depository record.
3. In case of redemption through Depository settlement, client has to ensure that Delivery Instruction slip should be provided to their Depository before the stipulated time.
4. MFI should communicate the unique Order Confirmation Number for the application received from the client.
5. The subscription/ redemption cycle will be as per the TAT specified by the ICEX/MCCIL on the basis of information from AMC/RTA from time to time.

**Annexure-IV**

(On letter-head of applicant)

***FIT & PROPER PERSO N’ UNDER TAKI NG***

I / We, M/s. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **(Name of the applicant)** hereby declare that I/we am/are ‘fit and proper person’ as per SEBI (Intermediaries) Regulations, 2008 and SEBI (Stock Brokers & Sub-brokers) Regulations, 1992 as amended till date.

For the purpose of determining as to whether an applicant or the intermediary seeking registration under any one or more of the relevant regulations is a ‘fit and proper person’, the Board may take account of any consideration as it deems fit, including but not limited to the following criteria:

|  |  |
| --- | --- |
| **Particulars** | **I/We qualify (Yes/No)** |
| 1. Integrity, reputation and character;
 |  |
| 1. Absence of conviction and restraint orders;
 |  |
| 1. Competence including financial solvency and networth;
 |  |
| 1. Absence of categorization as a willful defaulter;
 |  |

A person shall not be considered as a “fit and proper person” for the purpose of grant or renewal of certificate to act as an intermediary or to continue to act as an intermediary under any one or more of the relevant regulations, if he incurs any of the following disqualifications:

We further confirm the following in this regard:

|  |  |  |
| --- | --- | --- |
| **Sr. No.** | **Particulars** | **Please mention (Yes/No)** |
| a | the applicant or the intermediary, as the case may be or its whole time director or managing partner has been convicted by a Court for any offence involving moral turpitude, economic offence, securities laws or fraud; |  |
| b | an order for winding up has been passed against the applicant or the intermediary |  |
| c | the applicant or the intermediary, or its whole time director, or managing partner has been declared insolvent and has not been discharged |  |

**For,\_\_\_\_\_\_\_\_\_\_\_\_\_(Name of the Member)**

**Name & Signature of Designated Director/Designated Partner/Individual/Authorised Signatory under rubber stamp**

|  |  |  |
| --- | --- | --- |
| d | an order, other than an order of suspension of certificate of registration as an intermediary, restraining, prohibiting or debarring the applicant or the intermediary, or its whole time director or managing partner from dealing in securities in the capital market or from accessing the capital market has been passed by the Board or any other regulatory authority and a period of three years from the date of the expiry of the period specified in the order has not elapsed |  |
|
|
| e | an order canceling the certificate of registration of the applicant or the intermediary has been passed by the Board on the ground of its indulging in insider trading, fraudulent and unfair trade practices or market manipulation and a period of three years from the date of the order has not elapsed |  |
| f | an order withdrawing or refusing to grant any license / approval to the applicant or the intermediary, or its whole time director or managing partner which has a bearing on the capital market, has been passed by the Board or any other regulatory authority and a period of three years from the date of the order has not elapsed;Provided that the Board may for reasons to be recorded in writing, allow the applicant or the intermediary, to seek registration before the lapse of three years as specified in clauses (d), (e) and (f). |  |
| g | the applicant or the intermediary, is financially not sound |  |
| h | any other reason, to be recorded in writing by the Board, which in the opinion of the Board, renders such applicant or the intermediary, or its whole time director or managing partner unfit to operate in the capital market. |  |

Date:

Place:

**For,\_\_\_\_\_\_\_\_\_\_\_\_\_(Name of the Member)**

**Name & Signature of Designated Director/Designated Partner/Individual/Authorised Signatory under rubber stamp p**

**Note:** *In case the applicant wishes to furnish any details pertaining to the above mentioned confirmations, the same can be provided as annexure (duly stamped and signed by the authorised signatories).*

**Annexure-V**

**(On letter head of member)**

Date:

|  |  |
| --- | --- |
| To, Membership DepartmentMetropolitan Clearing Corporation of India Ltd4th Floor, Vibgyor Tower,Opp. Trident Hotel, Bandra Kurla Complex,Bandra (East), Mumbai - 400098 |  |

Dear Sir,

**Sub: Details of Bank Accounts**

Please note the details of our Bank Accounts for MF operations are as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of the Bank** | **Name of the Branch** | **Account Number** | **IFSC Code** | **Name of Account** | **Purpose of Account** | **Date of Opening** |
|  |  |  |  | Name of Member –Settlement Account | Settlement Account |  |

Thanking you,

**For,\_\_\_\_\_\_\_\_\_\_\_\_\_(Name of the Member)**

**Name & Signature of Designated Director/Designated Partner/Individual/Authorised Signatory under rubber stamp**

**Annexure-VI**

**(On letter head of member)**

**Format of letter to be submitted by Member to Clearing Bank for operation of Clearing Account**

Date:

To: [Clearing bank name and address]

Dear Sir,

**Sub: Operation of Clearing Bank Designated Settlement Account for Metropolitan Clearing Corporation of India Limited (MCCIL)**

|  |  |
| --- | --- |
| **Settlement A/C No:**  |  |
| **Bank/Branch/Address** |  |
| **Segment** | Mutual Fund |

With reference to the above, we note that:

1. ICEX and MCCIL have entered into an understanding pursuant to which MCCIL shall provide clearing and settlement services to ICEX in Mutual Fund segment.
2. MCCIL has established a clearing and settlement system, whereby its members/ members of ICEX will be able to undertake the clearing and settlement of deals admitted on the ICEX MF platform.
3. The bank has been nominated / appointed/ empanelled as a Clearing Bank by MCCIL for the purpose of undertaking Clearing and Settlement activities.
4. We authorize the Clearing Bank to access our clearing account for debiting & crediting as per the instructions received from MCCIL, from time to time.
5. Having due regard to the above, we hereby irrevocably authorise the Clearing bank to debit and/or credit our above mentioned account number as per the instructions received from MCCIL from time to time. Further, we authorise the Clearing Bank to report balances and other information relating to this account to MCCIL as may be required by MCCIL from time to time. This irrevocable undertaking will be effective from the date of commencement of operation of the clearing account by the MCCIL.
6. We further hereby undertake to abide by such other or further guidelines / instructions as may be communicated / decided MCCIL.

**For,\_\_\_\_\_\_\_\_\_\_\_\_\_(Name of the Member)**

**Name & Signature of Designated Director/Designated Partner/Individual/Authorised Signatory under rubber stamp**

**Annexure-VII**

**(On letter head of member)**

Date:

To,

The Membership Department

Membership Department

Metropolitan Clearing Corporation of India Ltd

4th Floor, Vibgyor Tower,

Opp. Trident Hotel, Bandra Kurla Complex,

Bandra (East), Mumbai - 400098

Dear Sir,

**Sub: Details of Depository Accounts**

Please note the details of our depository accounts for MF operations are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Depository Name** | **CMBP ID** | **DPID** | **Client ID** | **Name of Account** | **Date of Opening** |
| **NSDL/ CDSL** |  |  |  | Name of Member – Pool Account  |  |
|  |  |  |  |  |  |

Thanking you,

**For,\_\_\_\_\_\_\_\_\_\_\_\_\_(Name of the Member)**

**Name & Signature of Designated Director/Designated Partner/Individual/Authorised Signatory under rubber stamp**