

## **Operating Instructions for BSE StAR MF Platform for Non demat transactions with Settlement Process**

### **Registration Process for MFIs/MFDs :**

For Trading members (MFI) of BSE : Kindly refer to the Notice No. 20091202-3 dated December 2, 2009.

<http://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20091202-3>

For Mutual Fund Distributors (MFD) of BSE : Kindly refer to the Notice No. 20140305-33 dated March 5, 2014.

<http://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20140305-33>

All the terms and conditions mentioned in the above said notices will remain unchanged.

### **Empanelment with AMC :**

BSE team will assist the MFIs/MFDs, registered with BSE StAR MF Platform for empanelment process with AMC.

### **Client Registration (Unique Client Code) :**

- All MFIs/MFDs would need to register their new clients on the BSE StAR MF Platform before placing orders on their behalf.
- If the client is already registered for demat mode, separate registration is not required for physical mode. But, documents as mentioned in the **upload images** have to be uploaded as a one-time process before placing the physical orders.
- All the Mandatory details as mentioned in the attached File Structures like Name of the Client, PAN No. Mobile No., (only for MFD Client) Name of the Bank, Account No. IFSC Code, Branch, etc. to be entered. MFI/MFD to register only those clients who have the status as KYC/KRA complied.
- The MFI/MFD can modify/delete all client registration details except the PAN No.
- Batch upload facility is available to upload the Client Registration records.
- The MFI/MFD can also view the status of success/ reject of their client registration records on BSE StAR MF Platform.

### **Upload of images :**

For physical mode, the following images as a **one-time process** to be uploaded for all the Holders (First, Second and Third holders) either at the client Registration level or at the time of order placement on T day before 4:30 pm. on BSE StAR MF Platform.

- Account Opening Form, duly filled and signed by the Client
- Pan Card Copy
- KYC/KRA Acknowledgement Copy
- Cancelled Cheque copy (same as account no. mentioned in the UCC)
- Authorised Signatory List with Board Resolution (in case of Corporate Entity)

**Investor document upload process :**

- Investor document to be uploaded under PAN level. Documents to be uploaded for all the holders separately. All the document images to be scanned and merged to a single file.
- The document image should be in TIF format, black & white in colour, 100 X 100 DPI and JPEG compressed. Image should be copied into a folder and the said folder to be zipped. The zipped folder to be selected for upload. The size of the zipped folder should not exceed 4 MB. Any error in image\_ref\_no will lead to wrong registration or rejection of registration.
- For upload there would be image file and a data file.

**For CAMS (RTA) :**

- Naming convention of the image file is ARN-CODE\$PAN\$DOC\_TYPE.TIF (eg. ARN-1234\$ABCDE1234F\$AOF.TIF)
- The data file can be uploaded in pipe delimited TEXT file. The format of data file is given below (e.g. ARN-1234|ABCDE1234F|ABC Limited|AOF|ARN-1234\$ABCDE1234F\$AOF).

**For KARVY (RTA) :**

- Naming convention of the image file is ARN-CODE\$PAN\$DOC\_TYPE.TIF (eg. ARN-1234\$ABCDE1234F\$AOF.TIF)
- The data file can be uploaded in excel format. The format of data file is given below (e.g. ARN-1234|ABCDE1234F|ABC Limited|AOF|ARN-1234\$ABCDE1234F\$AOF|Fund Code|Order reference No.)

**For Franklin and Sundaram (RTA):**

Image upload format and upload process of Franklin and Sundaram would be informed later as and when the RTA is activated on BSE StAR MF Platform

Important Note : All MFI/MFD to keep custody of the all the original of the above said documents.

**Order Placement :****Subscription Process :**

MFI/MFD shall enter the Subscription Order on the BSE StAR MF system on behalf of their client. The BSE StAR MF will identify each scheme uniquely by its Scheme Code. The Orders are accepted under Settlement Types starting with T i.e T1, T2, T3, T4, T5, T6 and T8, which depends on the TAT of the Scheme.

Subscription orders would be created in terms of Amount only.

The order to be placed with the option of "Physical" Settlement. Once the order is created, system will generate a Unique Confirmation No. for the order.

For any fresh purchase, if the client does not have a Folio No. he shall leave the Folio No. as blank. For any Additional Purchase, Folio No. is mandatory.

If the client has an existing folio (transactions done other than Exchange Platform), and he is placing the order on the Exchange Platform, for the first time, he shall enter the existing Folio No. in the field provided for Folio No. The same Folio No. shall be captured for Exchange Transactions also.

**L0/L1 Orders :**

In addition to the abovementioned Settlement Types, in order to provide the same convenience to investors as the offline route, the Exchange has introduced Historic or T-1 day NAV for Liquid Schemes. The schemes with the facility of availing Historic NAV will have separate unique BSE Scheme code (same scheme code as present suffixed with L0), but the same RTA/AMC code and ISIN. The schemes with the facility of availing Historic NAV will have a separate Settlement Type called L0 (L Zero).

Further, the schemes (other than liquid schemes) where transactions of minimum Rs. 2 lakhs and above would be accepted, will have a separate Settlement Type called L1 (L One). MFI/MFDs may note that where they need to submit subscription orders in schemes (other than liquid schemes) of transactions of Rs. 2 lakhs and above, they would need to select the settlement type as L1 and only then would they be allowed to do so. In any scheme, orders of less than Rs. 2 lakhs would be accepted only under Settlement Types starting with T i.e. T1, T2, T3, T4, T5, T6 and T8 and in case of NFOs, Settlement Type MF.

All MFD client's will receive an Email/SMS from the exchange on the registered mobile number/email giving specific details like Order No. and Order value for the purpose of making pay-in of funds to the ICCL within the stipulated time (mentioned in T day activities).

The MFD/MFI can view all the client orders in the Provisional Order Statement.

All subscription transactions received under the L0 and L1 settlement type will have cut off time of 1:00 pm and 2:00 pm resp. on the Exchange platform. BSE StAR MF will disallow acceptance / modification of L0 and L1 type subscription orders after 1:00 pm and 2:00 pm resp.

Investor will receive a Statement of Account from RTA directly post receipt of completion of all validations within 5 business days.

### **Redemption Process :**

MFI/MFD shall enter the Redemption Order on the BSE StAR MF system on behalf of their client. The BSE StAR MF will identify each scheme uniquely by its Scheme Code. The Orders are accepted under Settlement Types starting with T i.e T1, T2, T3, T4, T5, T6 and T8, which depends on the TAT of the Scheme.

Redemption Orders would be created either in terms of Amount or ALL UNITS. The redemption orders can be cancelled/ modified only during the trading hours i.e 9 am to 3 pm.

The order to be placed with the option of "Physical" Settlement. Once the order is created, system will generate a Unique Confirmation No. for the order.

Folio No. is mandatory for all the Redemption Orders.

### **Settlement procedure for Non- Demat mode - MFI (Members)**

#### **Subscription of units**

#### **Pay-in of funds**

- Based on the intimation received from RTA, for the successful valid orders uploaded by us in the RTA system, for the orders received upto cut-off time for L0 (Cut-Off time is 1:00 p.m.), L1 (Cut-off time is 2:00 p.m.) and Normal (Cut-off time is 3:00 p.m.) type of transactions, the funds obligation files are generated and made available to the respective MFI's/MFD's immediately after the cut-off time on T day.
- The orders for subscription of mutual fund units placed on the BSE StAR MF Platform will be settled on gross basis and there will be no netting of subscription / redemption funds.
- Based on the funds obligation, the MFI's will be required to maintain sufficient balance in their settlement Clearing bank accounts for pay-in of funds by;
  - 1:05 p.m. on T day for L0 type of Subscription Transactions
  - 2:05 p.m. on T day for L1 type of Subscription Transactions.

- 9.30 a.m. on T + 1 day, for Normal (Other than L0 and L1 type of transactions) type of Subscription Transactions.
- In case funds shortage is reported in the pay-in obligation by any of the Clearing Bank pertaining to the MFI, then the entire valid order file will be downloaded to the concerned MFI for marking the orders of their clients whose payments have not been received. The concerned MFI will be required to mark the orders whose payments have not been received by them. Consequently, such MFI's funds settlement obligation will be reprocessed by deleting these marked orders. If the collected amount falls short of the reprocessed funds obligation of the MFI or if the concerned MFI fails to mark the records for deletion within the scheduled time, then such MFI's entire order file will be rejected and will not be processed for settlement thereafter and the funds so collected will be returned back to their settlement accounts.
- After matching the funds pay-in with the funds obligations of MFIs, the funds will be transferred in the respective AMC's bank accounts for processing of the valid orders, as per the following timelines:
  - L0 type transactions: Before 2:00 p.m. on T day
  - L1 type transactions: Before 3:00 p.m. on T day
  - Normal type of transactions: Before 2:00 p.m. on T + 1 day.

ICCL may take appropriate action including fines / penalty on such MFIs who fail to fulfil their obligations as required.

#### **Pay-Out of units (Statement of Account SOA)**

- On receipt of the funds in their bank account within the prescribed deadlines, AMC's will process the files uploaded by ICCL, and provide the reverse feed (Allotment file) containing the number of units allotted against each subscription order as per the applicable NAV.
- ICCL will upload this allotment file on BSE StAR MF platform which will help the MFIs/Investors to understand the number of units that are allocated to them.
- The SOA will be delivered (hard/soft as the case may be) by the RTA/AMC, directly to the designated mailing address of the MFIs/Investors, for their record keeping within 5 business days.
- The units received in the SOA should tally with that shown in the allotment file.

#### **Redemption of units**

- The orders for redemption of mutual fund units placed on BSE StAR MF Platform will be settled on gross basis and there will be no netting with subscription / redemption units.
- ICCL will upload the provisional redemption order file for the redemption orders received by on BSE StAR MF platform on the RTA's website for its necessary validations, and then for its final processing.
- RTA, will process the redemption requests and provide the reverse feed for all the valid transactions to ICCL on T + 1 day by 10:00 a.m.
- The AMC's accounts department will also make the payment in respect of these transactions in the Clearing bank account of ICCL on the TAT day of the scheme in which the MFI has placed the redemption request. (T1, T2 and so on upto T8)
- These funds will be released in the settlement bank accounts of the MFIs thereafter.
- The MFI is required to transfer these funds in the bank account of the respective client immediately.

All other existing norms/guidelines in respect of the BSE StAR Mutual Fund Segment would remain unchanged.

#### **Settlement procedure for Non- Demat mode - MFD (IFAs/Distributors)**

##### **Subscription of units**

##### **Pay-in of Funds**

- The orders for subscription of mutual fund units placed on the BSE StAR MF Platform will be settled on gross basis and there will be no netting of subscription / redemption funds.
- Based on the response received from RTA, for the successful valid orders uploaded by us in the RTA system, for the orders received up to cut-off time for L0 (Cut-Off time is 1:00 p.m.), L1 (Cut-off time is 2:00 p.m.) and Normal (Cut-off time is 3:00 p.m.) type of transactions, the funds obligation files will be generated and made available to the respective MFD/Investors immediately after the cut-off time on T day for their verification.
- The MFD clients are required to transfer the funds pertaining to the purchase orders placed by them/MFD's on BSE StAR MF platform, in ICCL's ICICI bank account, whose details are provided below;

Account Number: 3922

Account Name: Indian Clearing Corporation Limited

IFSC Code: ICIC0000004

so as to reach before the deadline time of different type of orders.

**The clients of MFD are mandatorily required to transfer the funds through one of the following modes interalia with the UCC bank account details :**

- **Clients using RTGS/NEFT Mode :**

Account Number : 3922  
Account Name : Indian Clearing Corporation Limited  
IFSC Code : ICIC0000004

- **Clients using Direct Credit Mode :**

Account Number : 000405103922  
Account Name : Indian Clearing Corporation Limited  
IFSC Code : ICIC0000004

- The deadline time to receive the funds in ICCL's bank account for different type of transactions is as follows:

12:45 p.m. on T day for L0 type of Subscription Transactions

1:45 p.m. on T day for L1 type of Subscription Transactions

9.30 a.m. on T + 1 day for Normal (Other than L0 and L1 type of transactions)

- In case the funds are not received in ICCL's account by the specified deadline time or if the intimation is not received by ICCL from its bank of having received the funds in its account within the expected time or if the funds are received in ICCL's bank account through any other mode of transfer than what is mentioned above or if the funds are not received from the designated bank account mentioned in the UCC, then the specific order for which the funds have not been received or received is/are liable to be rejected.
- After matching the funds pay-in with the funds obligations of MFDs, the funds will be transferred in the respective AMC's bank accounts for processing of the valid orders, as per the following timelines:

- L0 type transactions: Before 2:00 p.m. on T day
- L1 type transactions: Before 3:00 p.m. on T day
- Normal type of transactions: Before 2:00 p.m. on T + 1 day.

### **Pay-Out of units (Statement of Account SOA)**

- On receipt of the funds in their bank account within the prescribed deadlines, AMC's will process the files uploaded by ICCL, and provide the reverse feed (Allotment file) containing the number of units allotted against each subscription order as per the applicable NAV.
- ICCL will upload this allotment file on BSE StAR MF platform which will help the MFDs/Investors to understand the number of units that are allocated to them.
- The SOA will be delivered (hard/soft as the case may be) by the RTA/AMC, directly to the designated mailing address of the Investors, for their record keeping within 5 business days.

The units received in the SOA should tally with that shown in the allotment file.

### **Redemption of units**

- The orders for redemption of mutual fund units placed on BSE StAR MF Platform will be settled on gross basis and there will be no netting with subscription / redemption units.
- ICCL will upload the provisional redemption orders received by it on BSE StAR MF platform on the RTA's website for its necessary validations, and then for its final processing.
- RTA, will process the redemption requests and provide the reverse feed for all the valid transactions to ICCL on T + 1 day by 10:00 a.m.
- The AMC's accounts department will make the payment in respect of these transactions directly in the Investors bank account on the TAT day of the scheme in which the redemption request has been placed.

All other existing norms/guidelines in respect of the BSE StAR Mutual Fund Segment would remain unchanged.