

## **Annexure: Operating Guidelines post discontinuation of pool at Stock exchange platforms – Revised**

Ref. : Notice No. 20220324-52 dated March 24, 2022

### **I. Client Registration:**

#### **Existing:**

In addition to the above, Stock Exchanges (SEs) / Clearing Corporation (CCs) shall validate the details including PAN, KYC, FATCA, UBO, bank mandate entered by the MFDs. SB/CM shall be primarily responsible for validating the details including PAN, KYC, FATCA, UBO, bank mandate, email id and mobile for non-demat transactions. Accordingly, as mentioned in point no. 5 of the aforesaid SEBI circular AMCs may avail the services of SEBI recognized Clearing Corporations to validate the investors' source bank account information. In such cases, Clearing Corporation shall make the necessary source account details available to AMCs.

#### **Revised:**

*In addition to the above, Stock Exchanges (SEs) / Clearing Corporation (CCs) shall validate the details including PAN and KYC entered by the MFDs. Further Stock Exchanges (SEs) shall capture details of the client including FATCA and UBO which in turn shall be shared to RTAs. SB/CM shall be primarily responsible for validating the details including PAN, KYC, FATCA, UBO, bank mandate, email id and mobile for non-demat transactions. Accordingly, as mentioned in point no. 5 of the aforesaid SEBI circular AMCs may avail the services of SEBI recognized Clearing Corporations to validate the investors' source bank account information. In such cases, Clearing Corporation shall make the necessary source account details available to AMCs.*

### **II. Reporting of Transactions: *Rejection of Purchase Transactions – Point 3***

#### **Existing:**

RTA/AMC shall ensure to provide the CCs with the order level MIS in a standard format for such credits given immediately after having credited the CC's bank account with the refund amount by T +2 day (where T is the date of reporting the transaction to RTA or date of applicable NAV whichever is later). RTA shall provide the details of refund on T+2 day in the format shared by clearing corporation to RTA. In the event of failure to credit the refund amount to the client's bank account by CC for whatever reasons, CC shall arrange to refund the amount back to the respective AMC bank account by R+3 (R being the day of receipt of refund by the CC or receipt of MIS of such credit whichever is later). Clearing Corporation shall provide details of such rejections to RTA in the format shared with RTA.

#### **Revised:**

*RTA/AMC shall ensure to provide the CCs with the order level MIS in a standard format for such credits given immediately after having credited the CC's bank account with the refund amount by T +2 day (where T is the date of reporting the transaction to RTA or date of applicable NAV whichever is later). RTA shall provide the details of refund on T+2 day in the format shared by clearing corporation to RTA.*

*In the event of failure to credit the refund amount to the client's bank account by Clearing Corporation for whatever reasons, CC shall arrange to refund the amount to the client's alternate bank accounts available with CC as per the BSE StAR MF Client Master*

*In the event of unsuccessful credit to the client's alternate bank accounts, CC shall explore various means to seek other bank account details of client. Members shall be required to register such alternate bank account details in UCC database of the respective clients at BSE StAR MF platform. Post verification of such alternate bank account details, CC shall credit the funds to such verified bank account.*

### **III. Funds Pay-out for Redemption transactions (Demat and Non-demat)-Point 4**

#### **Existing:**

In the event of failure to credit the redemption proceeds to the client's bank account by CC for whatever reasons, CC shall arrange to refund the amount back to the respective AMC bank account by T + 3 day (T being the day when redemption settlement is due). Clearing Corporation shall provide details of such rejections to RTA in the format shared with RTA.

#### **Revised:**

*As part of the settlement process for transactions placed by the clients through the Members on StAR MF platform, it is necessary that the correct bank account details of the clients must be mapped to the client's UCC as maintained on the BSE StAR MF platform. These details are used for the purpose of remitting the redemption proceeds by the Indian Clearing Corporation Limited ("ICCL").*

*Members shall ensure that correct bank account details of the clients are mapped to the client's UCC maintained on the BSE StAR MF platform. In the event of failure to credit the redemption proceeds to the bank account as updated in client's UCC on BSE StAR MF platform; ICCL shall return the funds to the Asset Management Companies (AMC) by R+3 working days (R is the receipt of redemption funds in the ICCL account). Clients will then need to approach the respective AMCs for the due receipt of redemption proceeds.*

*Mentioned below is the link to the notices issued in this regard:*

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230620-67>

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230721-49>

**Ref. : Notice no. 20220328-51 dated March 28, 2022, Settlement Process :**

#### **Existing:**

Two separate reports will be provided to the member, one showing them the status of transaction (PG 2 MFI) and second showing the status of funds (Funds Received Status).

#### **Revised:**

*Existing format of Fund received Status shared as per the earlier operating guidelines stands revised. The updated format enclosed herewith as Annexure A.*