NEW CADRE OF DISTRIBUTORS

In terms of SEBI Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, a new cadre of distributors, such as postal agents, retired government and semi-government officials (class III and above or equivalent), retired teachers, and retired bank officers with a service of at least 10 years, and other similar persons (such as Bank correspondents) as may be notified by AMFI/ AMC from time to time, shall be allowed to sell units of simple and performing mutual fund schemes.

AMFI had, vide its e-mails no. 35P/MEM-COR/36/2012-13 dated January 14, 2013 and 35P/MEM-COR/40/2012-13 dated January 28, 2013, advised the AMCs about decision taken by AMFI Board to include the following persons in the new cadre of distributors :

1) Intermediaries/ Agents engaged in distribution of financial products e.g. insurance agent, FD agent, National Savings Scheme products, PPF, etc. registered with any other Financial Services Regulator

2) Business correspondents appointed by Banks

NISM had launched “NISM-series V-B : Mutual Fund foundation Certification Examination and CPE Programme” for New Cadre of Distributors vide their Communique dated January 7, 2013. In their subsequent Communique dated April 4, 2013 on “Eligibility of Participants for Mutual Fund Foundation Examination and Mutual Fund Foundation -CPE Programme”, NISM has, in addition to the categories of New Cadre of Distributors specified in SEBI Circular/ notified by AMFI as mentioned above, allowed any person of age 50 years or more, to obtain certification through Exam or CPE. We have received feedback from the industry that more than 100 persons, who are above 50 years of age, have obtained certification by attending CPE. However, they are not in a position to register themselves under New Cadre of Distributors with AMFI, as they are not falling in any of the categories mentioned in SEBI circular/ notified by AMFI, as mentioned above.

The matter was reviewed by AMFI Board in its Meeting held on June 12, 2013 and it was decided to also include the persons of 50 years of age or more, in addition to the persons already notified by SEBI and AMFI as mentioned above, in the New Cadre of Distributors. Accordingly, they will be able to obtain registration with AMFI under New Cadre of Distributors for selling simple and performing Mutual Fund Schemes, after obtaining necessary certification, either by passing Mutual Fund Foundation Certification Examination or by attending Mutual Fund Foundation CPE Program, offered by NISM.

The notification together with extension of window period for free ARN registration up to September 30, 2013 will help Mutual Fund Industry to widen the Distributor base and increase penetration of Mutual Funds in the smaller towns.

Extension of Fee waiver period up to March 31, 2014

This has reference to e-mails no. 35P/MEM-COR/36/12-13 dated January 14, 2013 and 35P/MEM-COR/16/13-14 dated June 13, 2013, wherein AMFI had informed about the waiver of registration fees for all first time registrations in the categories of Individuals (including Sr. Citizen) and new cadre of Distributors during the period from February 1, 2013 to September 30, 2013 subject to fulfilling certain conditions as mentioned therein.

AMFI has decided to extend the waiver of fee registration till March 31, 2014 on the same terms and conditions.