



## PROCESS NOTE FOR NEW CADRE OF DISTRIBUTORS

### **Association of Mutual Funds in India**

**ARN Registration process for New Cadre of Distributors as defined in SEBI Circular dated 13-Sep-2012 and as notified by AMFI**

### **Background**

In terms of SEBI Circular dated September 13, 2012

- i) 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.
  
- ii) Simple and performing mutual fund schemes shall comprise of diversified equity schemes, fixed maturity plans (FMPs) and index schemes and should have returns equal to or better than their scheme benchmark returns during each of the last three years.



iii) These new cadre of distributors would require a simplified form of NISM certification and AMFI Registration. Simplified AMFI Registration Process :

**Who can apply for registration under this category**

- Postal agents
- Retired government and semi-government officials (class III and above or equivalent) with a service of at least 10 years.
- Retired teachers with a service of at least 10 years
- Retired bank officers with a service of at least 10 years
- 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
- Business correspondents appointed by Banks

Only Individuals satisfying one of the above mentioned criteria or Proprietary concerns, where the Sole Proprietor is satisfying one of the above mentioned criteria, can apply for obtaining ARN under this category.

**What are the requirements for Registration with AMFI**

- Though new cadre of distributors are not required to comply with KYD/ bio-metrics requirements, they are required to submit self attested copies of identity proof (photo



PAN card of individual applicants/ in case of Proprietary concern, PAN card of the Proprietary Concern (if available) or Photo PAN card of the Proprietor) and address proof, as mentioned in KYD application.

- Self attested copy of certificate issued by NISM in respect of Series V-B : Mutual Fund Foundation Certification Examination or Mutual Fund Foundation CPE Program, specially designed by NISM for new cadre of distributors.

**If the applicant is Retired Government/ Semi-Government/ Bank officials/ Teachers :**

Experience certificate issued by the employer and the relieving letter issued by employer.

If the applicant is Postal Agent/ Bank Correspondents/ 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 :

Appointment letter issued by the respective Authorities.

**Fees**

For applications received under Individual category :

Rs. 1500/- for ARN Registration

Rs. 750/- for ARN Renewal



For applications received for Proprietary Concern :

Rs. 1500/- for registration of Proprietary concern

Rs. 1500/- for registration of the Sole Proprietor under Proprietary concern and allotment of EUIN to the Sole Proprietor

Rs. 750/- for renewal of Proprietary concern

Rs. 750/- for renewal of EUIN of the Sole Proprietor

### **Allotment of ARN**

The documents shall be scrutinized and if found in order and if the prescribed fees have been realized, a photo identity card containing unique ARN starting with “SD” and indicating validity period, which will correspond to the validity period mentioned on CPE certificate would be issued to the applicants.

After obtaining ARN, they should approach the AMCs for empanelment. After empanelling with the AMC, they can sell units of simple and performing mutual fund schemes as defined in SEBI Circular dated September 13, 2012, of the AMC with which they are empanelled.

### **Renewal of ARN**



The ARN holders are required to renew ARN on or six months prior to expiry of validity period of ARN.

The renewal of ARN is subject to passing V-B : Mutual Fund Foundation Certification Examination or attending Mutual Fund Foundation CPE Program, specially designed by NISM for new cadre of distributors by NISM.

### **Minimum Empanelment Criteria**

Clause no. 3.2 of AMFI Circular no. CIR/ARN-09/08-09 dated July 18, 2008 on

“Common Minimum Criteria for Empanelment – minimum number of investors required to be serviced” will not be applicable for new cadre of distributors.

### **Annual Self Certification**

“Central Distributor Services” has become operational with effect from January 15, 2013