Association of Mutual Funds in India

CODE OF ETHICS

Oct 2026

Preamble

The Association of Mutual Funds in India (AMFI) is committed to promoting the highest standards of professionalism, integrity, and ethical conduct in the mutual fund industry. As a representative body of asset management companies, AMFI seeks to foster the development and growth of the industry in India by establishing and maintaining exemplary standards of professional ethics amongst practitioners and creating public awareness of, and confidence in, the mutual fund industry.

The mutual fund industry plays a crucial role in mobilizing savings and channelling them into productive investments, thereby contributing to the economic development of the nation. This responsibility requires that all participants in the industry conduct themselves with the utmost integrity, transparency, and accountability to protect and promote the interests of investors.

This Code of Ethics provides guidance to Members in areas where they need to make professional and ethical decisions in their day-to-day operations. The Code aims to supplement relevant regulations and laws applicable to the Indian mutual fund industry and to provide guidance in respect of the minimum standards of conduct specifically applicable to asset management companies.

This Code does not intend to replace any legislation, regulations, or guidelines issued by the Securities and Exchange Board of India (SEBI) or other relevant authorities. This Code does not have the force of law and should not be interpreted in a way that would contradict or replace the provisions of any applicable law, regulations, or guidelines.

This Code does not attempt to provide a detailed and exhaustive list of what should be done in every situation. Instead, it represents a broad framework for ethical and professional conduct. While the specific provisions of this Code may not be directly applicable to all Members' circumstances, AMFI expects all Members to adhere to the fundamental principles and standards of behaviour set out herein.

The Code recognizes the evolving nature of the financial services industry, including technological advancements, changing regulatory landscapes, and emerging risks such as cyber security, environmental and social considerations, and the use of artificial intelligence and machine learning. Members are expected to adapt their practices to address these developments while maintaining the highest standards of professional ethics.

AMFI Code of Ethics (ACE)

1. Applicability

This Code shall be applicable to all Members and their employees, officers and directors.

2. Integrity

2.1. Members and their Key Personnel shall act as fiduciaries and, in the conduct of their business, directly or indirectly, shall observe high standards of integrity and fairness in all dealings with unitholders, issuers, market intermediaries, other Members, regulatory authorities, and all stakeholders. Members shall act with due care, competence, and diligence, maintaining professional standards that enhance the reputation of the mutual fund industry and avoid any conduct that may compromise investor confidence or market integrity. Members must place unitholder interests before their own and act with independence and objectivity.

2.2. Mutual Fund Schemes shall be organised, operated, managed and their portfolios of securities selected, retained or redeemed, in the interest of all- classes of unitholders and not in the interest of;

(a) sponsors;
(b) directors of Members;
(c) trustees;
(d) brokers, distributors and other market intermediaries;
(e) associates of the Members;
(f) a special class selected from out of unitholders; and
(g) any other person or entity that may create a conflict of interest with the unitholders' interests, including but not limited to entities with common ownership, management, or control that could influence investment decisions.

3. Conduct of Business

Members in the conduct of their asset management business shall at all times:

(a) render high standards of service;
(b) exercise due diligence; and
(c) exercise independent professional judgement.

4. Deployment of Resources

Members shall have and employ effectively adequate financial resources, human resources, technical infrastructure, and operational procedures which are needed for the proper conduct of asset management activities. This includes maintaining adequate professional indemnity insurance, disaster recovery plans and business continuity procedures.

5. Disclosures

5.1. Members shall ensure timely dissemination to all unitholders of adequate, accurate, and explicit information presented in simple language about the investment objectives, investment policies, financial position and general affairs of the scheme.

5.2. Members shall disclose to unitholders investment patterns, portfolio details, ratios of expenses to net assets, total income, portfolio turnover, risk-o-meter ratings, performance benchmarking, and any material changes in investment strategy as per the periodicity and formats prescribed by SEBI.

5.3. Members shall in respect of transactions of purchase and sale of securities entered into with any of their associates;

(a) submit to the Trustees details of such transactions as prescribed by SEBI; and
(b) disclose to the unitholders details of the transaction as prescribed by SEBI.

5.4. The personal transactions of purchase and sale of securities by Key Personnel shall be subject to pre-approval and disclosure requirements as prescribed by SEBI. Members shall maintain records of all such transactions and ensure compliance with applicable SEBI regulations.

6. Professional Selling Practices

6.1. Members shall not use any unethical means to sell, market or induce any investor to buy their products and schemes.

6.2. Members shall not make any exaggerated statement, whether written or oral, regarding performance of any product or scheme. Members must present performance information that is fair, accurate, relevant, timely, and complete and must not misrepresent the performance of individual schemes or of the mutual fund.

6.3. Members shall take necessary steps to ensure that:

(a) investors are provided with true and adequate information, whether written or oral, without any misleading or exaggerated claims to investors about their capability to render certain services or their achievements in regard to services rendered to other clients;

(b) their empaneled distributors / brokers and other intermediaries provide investors, with true and adequate information, whether written or oral, without any misleading or exaggerated claims to investors about their capability to render certain services or their achievements in regard to services rendered to other clients;

(c) all relevant risks in Members' schemes and the classification of such schemes as per the risk categories prescribed by SEBI if any, are disclosed in the scheme documents;

(d) copies of Scheme Information Document, Key Information Memorandum, Statement of Additional Information and related literature are made available to investors on request;

(e) all investors (within a scheme and across all schemes) are treated in an equitable manner;

(f) that they conduct themselves in a fair and transparent manner so that investors are not unfairly disadvantaged;

(g) adequate steps are taken for allotment of mutual fund units and refund of application monies as per regulatory requirements; and

(h) queries, requests and complaints from investors are addressed within prescribed timelines.

6.4. Members in all their communications, whether written or oral, to investors shall:

(a) ensure that information provided to investors is relevant, simple, transparent and complete;

(b) not present a mutual fund scheme as if it were a new share issue;

(c) not create unrealistic expectations;

(d) convey that mutual fund investments are subject to market risks by inclusion of standard warning as prescribed by the SEBI (Mutual Funds) Regulations, wherever applicable;

(e) not induce investors by offering benefits which are extraneous to the scheme;

(f) not misrepresent the products or schemes of the Member, or their performance, either by stating information in a manner calculated to mislead or by omitting to state information which is material to making an informed investment decision and

(g) ensure that all advertisements, marketing and promotional materials are fair, clear, not misleading, and comply with applicable advertising guidelines under the SEBI (Mutual Funds) Regulations and other applicable regulations and guidelines.

7. Investment Practices

7.1. Members shall manage all the schemes in accordance with the investment objectives and investment policies stated in the offer documents and take investment decisions solely in the interest of the unitholders.

7.1. Members shall not knowingly buy or sell securities for any of their schemes from or to:

any director, officer, or employee of the member; or
any trustee or any director, officer, or employee of the Trustee Company.

8. Operations

8.1. Members shall ensure that resource deployment is commensurate with their fiduciary responsibility towards investors.

8.2. Members shall avoid conflicts of interest in managing the affairs of the schemes and shall keep the interest of all unitholders paramount in all matters relating to the scheme.

8.3. Members or any of their directors, officers or employees shall not indulge in front running (buying or selling of any securities ahead of transaction of the fund, with' access to information regarding the transaction which is not public and which is material to making an investment decision, so as to derive unfair advantage), insider trading, or fraudulent practices that may harm market integrity, investor interests, or the reputation of the mutual fund industry. Members shall not engage in practices designed to distort prices or artificially inflate trading volume with the intent to mislead market participants.

8.4. Members or any of their directors or officers or employees or immediate relatives of directors, officers or employees, shall not indulge in self-dealing (using their position to engage in transactions with the fund by which they benefit unfairly at the expense of the fund and the unitholders).

8.5. Members shall implement anti-money laundering (AML) and combating financing of terrorism (CFT) frameworks, including robust know-your-customer (KYC) procedures, ongoing customer due diligence, transaction monitoring systems, and suspicious transaction reporting mechanisms as required under applicable laws and regulations.

8.6. Members shall establish investor grievance redressal mechanisms with clear escalation procedures and ensure that all queries, requests and complaints are resolved within prescribed timelines, as applicable. Members shall maintain records of all queries, requests and complaints, their nature, resolution status, and time taken for resolution as per applicable laws.

8.7. Members shall not engage in any act, practice or course of business in connection with the purchase or sale, directly or indirectly, of any security held or to be acquired by any scheme managed by the Members, and in purchase, sale and redemption of units of schemes managed by the Members, which is fraudulent, deceptive or manipulative.

8.8. Members shall not, in respect of any securities, be party to:

(a) creating a false market,

(b) price rigging or manipulation

(c) passing of price sensitive information to brokers, members of stock exchanges and other players in the capital markets or take action which is unethical or unfair to investors.

8.9. Employees, officers and directors of the Members shall not work as agents/ brokers for selling of the schemes of the Members, except in their capacity as employees of the Member or the Trustee Company.

8.10. Members shall ensure that all Key Personnel and employees involved in fund management, dealing, research, and investor relations are appropriately qualified, certified, and trained. Employees shall comply with continuing professional education requirements and maintain current certifications as prescribed by SEBI.

8.11. Members shall conduct training programs for their directors and employees to update them on regulatory requirements and developments covering regulatory requirements, ethical conduct, risk management, cyber security awareness, and product knowledge, as and when considered necessary by the Members.

8.12. Members shall ensure that they comply with applicable SEBI regulations with respect to changes in attributes of a scheme. Members shall provide adequate disclosures and information so unitholders can consider whether any proposed changes in scheme or its investment strategy meet their investment needs.

8.13. Members shall avoid excessive concentration of business with any broking firm, and should rather maintain diversification in broker selection. Members shall monitor excessive holding of units in a scheme by few persons or entities in accordance with minimum investor requirements and maximum holding limits prescribed by SEBI regulations, and implement appropriate measures to ensure broad-based participation.

8.14. Members shall observe appropriate principles when retaining the services of another company to perform business-critical or important services on their behalf. The outsourcing of business activities must be in the interest of the unitholders, service providers must be selected with diligence, Members shall bear ultimate responsibility for outsourced services, compliance with confidentiality requirements, and outsourcing processes must be governed by written agreements that clearly define tasks to be carried out by service providers. When using third parties to provide services, Members shall take necessary steps to require the third parties maintain the same level of confidentiality and that personal unitholder data is only used or processed in ways and to the extent that the Member itself is entitled to do so. Members shall ensure compliance with SEBI's regulations and guidelines in this regard.

8.15. Members shall refuse to participate in any business relationship or accept any gift that could reasonably be expected to affect their independence, objectivity, or fiduciary duty to unitholders.

9. Reporting Practices

9.1. Members shall follow comparable and standardized valuation policies in accordance with the SEBI (Mutual Funds) Regulations.

9.2. Members shall follow uniform performance reporting on the basis of total return.

10. Segregation

Members shall ensure scheme wise segregation and ring-fencing of cash and securities accounts, assets and liabilities of each scheme from other schemes of the mutual fund, and maintain proper reconciliation procedures to ensure no co-mingling of scheme assets. Members shall implement robust controls to prevent any cross-subsidization between schemes.

11. Risk Management, Cyber Security, and Internal Controls

Members shall establish and maintain risk management, cyber security, and business continuity frameworks with appropriate policies, procedures, and controls to identify, assess, monitor, and manage all operational risks, in accordance with applicable SEBI regulations. Members must establish a business-continuity plan to address disaster recovery or periodic disruptions of the financial markets.

12. Environmental, Social and Governance (ESG) Considerations

Members offering ESG schemes shall ensure that investments are made in accordance with the stated ESG strategy and objectives. Members shall maintain continuous monitoring of and transparency in ESG investment processes, conduct appropriate due diligence on ESG factors, and provide clear disclosures on ESG methodologies and outcomes to unitholders. Members shall establish systems and processes, including periodic review of data and reports, to ensure that their ESG schemes are adhering to guidelines against false declarations and greenwashing as specified in SEBI regulations.

13. Stewardship and Voting

Members shall exercise their stewardship responsibilities diligently, including active monitoring of investments and investee companies and endeavour to vote on all resolutions of investee companies, as prescribed by SEBI. Members shall avoid practices, communication (whether written or oral) or relationships with management or promoters of investee companies, as part of discharging their stewardship responsibilities, that create a conflict of interest, or are not in the best interest of unitholders. Members shall maintain voting policies and record rationale for voting decisions to promote good corporate governance.

14. Technology and Data Protection

14.1. Members shall implement appropriate technology governance frameworks, including robust cyber security measures, data protection protocols, and system audit procedures.

14.2. Members shall ensure confidentiality of investor data and comply with SEBI regulations and other applicable law (including with the Digital Personal Data Protection Act, 2023 read with the Digital Personal Data Protection Rules, 2025) with respect to security, storing, processing and sharing of personal data of investors. Members shall actively monitor the processing and storage of investor

data to prevent misuse of such data, and to ensure that all activities involving investor data are undertaken with the explicit consent of such investor, as prescribed by applicable laws.

15. Use of Artificial Intelligence and Machine Learning

15.1. Members using Artificial Intelligence (AI) and Machine Learning (ML) applications and systems shall comply with all applicable reporting and disclosure requirements prescribed by SEBI, including quarterly submission of AI/ML reporting forms to SEBI containing details of AI/ML applications used for compliance operations, surveillance, customer support, risk management, and other business functions.

15.2. Members shall establish comprehensive governance frameworks for development, procurement and deployment of AI/ML applications that adhere to the guidelines, principles and regulatory requirements issued by regulators in this respect, and implement robust security, monitoring and testing frameworks for AI/ML applications in line with regulatory requirements.

16. Unfair Competition

Members shall not make any statement or become privy to any act, practice or competition, which is likely to be harmful to the interests of other Members or is likely to place other Members in a disadvantageous position in relation to a market player or investors, while competing for investible funds. Members shall compete fairly and ethically, avoiding any practices that may constitute unfair competition, market manipulation, or misrepresentation of competitors' products or services.

17. Observance of Statutes, Rules and Regulations

Members shall abide by the letter and spirit of the provisions of statutes, rules and regulations which may be applicable and relevant to the activities carried on by the Members. Members shall cooperate fully with regulatory authorities, provide timely and accurate information as required, and implement necessary changes to ensure ongoing compliance with evolving regulatory requirements.

18. Compliance and Enforcement

18.1. Members shall strive to comply with all applicable laws and regulations, in both letter and spirit.

18.2. Members shall strive to create a culture of self-assessment and corrections with respect to compliance with applicable laws and this Code.

18.3. Members shall establish robust compliance standards and conduct periodic compliance reviews.

18.4. Members shall:

(a) make observance of the Code a condition of employment;

(b) make violation of the provisions of the code, a ground for revocation of contractual arrangement without redress and a cause for disciplinary action;

(c) require all existing employees to acknowledge receipt and acceptance of the Code through digital communication within six months.

(d) require all new employees to acknowledge receipt and acceptance of the Code as part of the recruitment and onboarding process;

(e) establish internal controls and compliance mechanisms, including assigning supervisory responsibility;

(f) establish and maintain appropriate whistleblowing mechanisms and encourage a culture of speaking up about inappropriate practices, potential violations of this Code, or regulatory breaches without fear of retaliation.

18.5. Members shall ensure observance of this Code.

18.6. This Code shall be read in conjunction with all applicable laws, regulations, and guidelines issued by SEBI and other regulatory authorities. In case of any conflict between this Code and applicable regulations, the provisions of the regulations shall prevail.

19. Definitions

When used in this Code, unless the context otherwise requires:

(a) **“AMFI"** means the Association of Mutual Funds in India.

(b) **"Associate"** means and includes an ‘associate' as defined in regulation 2(d) of SEBI (Mutual Funds) Regulations 2026, as amended from time to time.

(c) **“Compliance Officer"** means the compliance officer appointed by the Member.

(d) **“Key Personnel”** means the Chief Executive Officer, Chief Investment Officer, Chief Risk Officer, Chief Information Security Officer, Chief Operation Officer, fund manager(s), Compliance Officer, sales head, investor relation officer(s), heads of other departments, dealer(s) of the Member and such other persons as deemed fit and identified as such by the Member.

(e) **"Member”** means the member of the Association of Mutual Funds in India.

(f) **“SEBI”** means the Securities and Exchange Board of India.

(g) **“SEBI (Mutual Funds) Regulations”** means the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026, as amended from time to time.

(h) **“Trustees”** means the Trustee Company that holds the property of the mutual fund in trust for the benefit of the unit holders. Further, wherever the context requires applicability of provisions for individual trustees, the term “Trustees” shall be deemed to mean the directors of board of the trustee company.