



ATTENTION – MUTUAL FUND DISTRIBUTORS

TIMELINE FOR MAKING APPLICATION FOR CHANGE IN NAME OF MF DISTRIBUTORS EXTENDED TO OCTOBER 31, 2020

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- The timeline for making application to RoC for change in name has been extended from October 15,2020 to October 31, 2020.
 - The extended timelines are also applicable to MFDs formed as proprietary/partnership firms etc.
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Pursuant to clarification issued by SEBI vide email dated 14th October, 2020 with regard to compliance of Regulation 3(3) of SEBI (Investment Adviser) Regulations, 2013 by entities engaging in advice or distribution on Mutual Funds, registered MFDs are advised to take note of the following points :

1. Timeline for making application to RoC for change in name

- The timeline for making application to RoC for change in name has been extended from October 15,2020 to October 31, 2020. For MFDs functioning as proprietary/partnership entity, the same timelines will apply.

2. Guiding Principle for deciding on the name of the entity acting as MFD

- MFDs need to be guided by the principle laid down at para 3(b) of SEBI email dated September 22,2020 (reproduced below) while deciding on the name of the entity acting as MFD.

“The name of an MFD should reflect the registration held by the entity and should not in any way create an impression of performing a role for which the entity is not registered. Thus, every MFD, while dealing in distribution of securities, should clearly specify that he /she is acting as MFD.”

3. Applicability for SEBI registered stock brokers or portfolio managers or merchant bankers

- SEBI registered stock brokers or portfolio managers who are acting as advisors (seeking exemption from registration as Investment Adviser) , it may be noted that these entities can only advise and/or execute Direct Plan Schemes on behalf of their clients since Chapter III of the SEBI (Investment Adviser) Regulations, 2013 is applicable to them. Such stock brokers or portfolio managers can have the words like “Adviser” in their name. Further, advice on buying or selling mutual funds is not incidental to registration as a merchant banker.
- SEBI registered stock brokers or portfolio managers or merchant bankers who are acting as distributors of Mutual Funds cannot have words like “Adviser” in their name.
- SEBI registered stock brokers or portfolio managers who use both the above models with client level segregation, should reflect broking or PMS activity in their name. Further they cannot have words like “Adviser” in the entity’s name or in the name of the distribution division.

4. Issuance of NOC for name change (if required by RoC)

- SEBI has also advised that AMFI may issue the NOC to for the specific purpose of name change by MFDs in compliance with Regulation 3(3) of SEBI (Investment Adviser) Regulations, 2013.

Accordingly, corporate MFDs (established in the form of company or LLP) who are asked to submit an NOC for the proposed name change by the RoC, are advised to send an email from their registered email address to contact@amfiindia.com mentioning “Request for NOC for Name Change for submission to ROC” in the subject line and mentioning their ARN, existing registered name, proposed name(s) for which NOC is being sought, name, designation and mobile number of the authorized official, appending the email communication received from the ROC for the NOC.

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