

To all AMFI members**Clarification regarding Self-Certification & Suspension of Payment of Commission****Self-Certification**

In terms of AMFI Circular No. CIR/ARN-01/02-03 dated January 15, 2003, all Intermediaries are required to furnish Self Certification to the effect that they are in compliance with the "Code of Conduct" and other requirements as per SEBI Circulars by end of each Financial Year. Some of the members had sought certain clarifications with regard to the time period within which such certificate is required to be furnished by the Distributor or by the Intermediary. It is therefore clarified that the Intermediary/Distributor may be allowed to furnish such certificate within three months' of the end of the Financial Year i.e. by June 30.

Suspension of Payment of Commission

In terms of AMFI Circular No. CIR/ARN-06/05-06 dated March 29, 2006; it was recommended that in case ARN holders fail to comply with the requirements of the Annual Certification, the payment of commission be suspended till the time ARN holder complies with the requirements of Certification. Further, since the Distributor is allowed a period of three months for submission of self-certification, it is clarified that for non-compliance, payment of upfront commission be suspended in respect of Business canvassed from July onwards and trail commission payable from the month of July onwards in respect of Business canvassed upto June, may be suspended till the time ARN holder complies with the requirement of Self-Certification.

You are requested to take note of the above clarifications for due compliance.

With kind regards,

Yours sincerely,

A. P. Kurian

(Chairman)