



Association of Mutual Funds in India

35/MEM-COR/18A/10-11

May 31, 2010

To all Members

Dear Sir/ Madam,

Re : Clarification on AMFI Best Practice Guidelines Circular No.15/2010-11 dated May 7, 2010

With respect to the captioned Best Practice Circular, we would like to clarify that the said circular is applicable in the cases where change of distributor is initiated by the investor.

As regards the change of distributor initiated by existing distributor due to various reasons such as change in name, merger/ acquisitions, change in legal status, etc. the procedure prescribed in AMFI Best Practice Circular no. 11/2007-08 dated September 5, 2007 – Section II, (copy attached) should be followed by all the AMCs. In such cases, once the Distributor (ARN Code) has been changed, the trail commission thereafter for all business done by the old distributor (under old ARN Code) may be payable to New Distributor (under New ARN Code) on a prospective basis subject to terms and conditions, if any, entered into by AMCs with such Distributor.

You are therefore requested to take note of the above clarification.

Regards,

C G Parekh
Vice President – Finance & Administration