



## Association of Mutual Funds in India

135/BP/34/2012-13

January 02, 2013

To All members

Dear Sir / Madam,

**Re : AMFI Best Practices on Direct Plan- Tagging of ARN**

At the last Board meeting held on December 21, 2012, the subject matter of allowing tagging of ARN on the transactions received under Direct Plan was deliberated.

It was observed that the clause B sub-clause D of SEBI circular No. CIR/MD/DF/21/2012 dated September 13, 2012 regarding Direct Plan, it specifically mentions that AMCs are required to provide a plan for direct investment i.e. investment not routed through a distributor. Tagging of ARN for a transaction may tantamount to investment routed through distributor. The Board, therefore, decided that the tagging of ARN in respect of applications received under Direct Plan would be a compliance violation.

You are, therefore, advised not to entertain request of any distributor for allowing tagging of ARN in respect of application received under Direct Plan.

All AMCs are requested to confirm having noted the contents of this circular for due compliance. They are also advised to put up this Circular in the immediate next meeting of their Trustees for information.

Season's Greetings and best wishes for New Year.

**V RAMESH**

**Dy Chief Executive**