



Association of Mutual Funds in India

135/ BP/ 46/ 2014-15

April 02, 2014

Dear Sir / Madam,

Sub : AMFI Best Practice Guidelines Circular No. 46/ 2014-15 – Deferment of forfeiture of brokerage due to EUIN non-compliance

As per AMFI Best Practice Guidelines Circular No. 135/BP/33/2012-13 dated December 12, 2012 as modified by Circular No. 135/BP/37/2012-13 dated March 28, 2013 on best practices for EUIN validation, Asset Management Companies (AMC) were required to implement EUIN validation w.e.f. June 1, 2013. Subsequently, AMFI Circular No. 135/BP/40/2012-13 dated August 27, 2013 and letter dated December 26, 2013 amended the business rules relating to remediation period and forfeiture of brokerage in case of non-compliance.

Distributors had requested AMFI to reconsider the rules pertaining to forfeiture of brokerage due to non-compliance of EUIN requirements since they were unable to meet the stipulated requirements owing to various reasons. Consequently, AMFI has decided the following:

I. Forfeiture of brokerage due to EUIN non-compliance

- Provisions of forfeiture of brokerage will be applicable to transactions on or after April 1, 2014.
- For transactions upto March 31, 2014, AMCs may release brokerage to distributors who **fulfill the EUIN compliance requirements**, albeit after the remediation period applicable to the transactions.

II. Remediation period for EUIN

The remediation period of 30 days from the date of transaction will be applicable for transactions after June 30, 2014 as well.

All AMCs are requested to confirm having noted the contents of this circular for due compliance.

With Regards,

C G Parekh
Sr. Vice President