



Annexure
to
AMFI Best Practices Guidelines Circular No. 74 / 2018-19
Best Practice Guidelines on Electronic Transactions

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1. Introduction

In the past few decades, India has witnessed a revolution in computing and communications in every aspect of life. Undeniably, technology is a key component of asset management, integral to many aspects of the investment process including trading, risk management, operations and client service. Given today's information-rich environment and the importance of technology in accessing markets, every organization that manages assets, an AMC or an asset owner who manages its assets internally, each uses technology as part of its process. The Information Technology Act, 2000 is the primary law in India dealing with cybercrime and electronic commerce. It is based on the United Nations Model Law on Electronic Commerce 1996 (UNCITRAL Model) recommended by the General Assembly of United Nations. The recent amendments to the said Act has endeavored to make the law increasingly technology neutral, so as to bring the law in line with the Western Nations and United Nations Commission on International Trade Law Model Law on Electronic Signatures ("**Model Law**").

It is therefore important, that the AMCs comply with the fundamental regulatory requirements in the changing legal landscape of India governing electronic transaction and electronic contracts.

These guidelines have enumerated certain processes to be adopted by the AMCs and the RTAs with a view to establishing minimum standards with respect to processing of electronic transactions received from investors.



2. Policy on Rules and Regulations for access or usage of the AMC's computer resource by any person

Every AMC should publish the rules and regulations, privacy policy and user agreement for access or usage of the AMC's computer resources by any person. Such rules and regulations, terms and conditions or user agreement should inform the users of computer resource *not to host, display, upload, modify, publish, transmit, update or share any information that —*

- belongs to another person and to which the user does not have any right to;
- is grossly harmful, harassing, blasphemous, defamatory, obscene, pornographic, paedophilic, libelous, invasive of another's privacy, hateful, or racially/ethnically objectionable, disparaging, relating or encouraging money laundering or gambling, or otherwise unlawful in any manner whatever;
- harms minors in any way;
- infringes any patent, trademark, copyright or other proprietary rights;
- violates any law for the time being in force;
- deceives or misleads the addressee about the origin of such messages or communicates any information which is grossly offensive or menacing in nature;
- impersonates another person;
- contains software viruses or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer resource;
- threatens the unity, integrity, defense, security or sovereignty of India, friendly relations with foreign states, or public order or causes incitement to the commission of any cognisable offence or prevents investigation of any offence or is insulting any other nation.

A model format of the Rules and Regulations for access or usage of the AMC's computer resource by any person is given in **Annexure 1**.

The AMC or any person/entity who on behalf of the AMC collects, receives, possesses, stores, deals or handles information of provider of information, shall provide a privacy policy for handling of or dealing in personal information including '**sensitive personal data or information**' (SPDI) and shall ensure that the privacy policy is available for viewing by such providers of information who have provided such information. Such policy shall be published on the website of the AMC or any person on its behalf and should provide for —



- clear and easily accessible statements of its practices and policies;
- type of personal or sensitive personal data/ information collected under rule 3;
- purpose of collection and usage of such information;
- disclosure of information including sensitive personal data or information; and
- reasonable security practices and procedures.

A model format of the Privacy Policy is given in **Annexure 2**

AMCs should obtain the prior consent of the information provider regarding the purpose of usage of the SPDI before collection of such information and keep the SPDI obtained secure. AMCs should maintain strict confidentiality of SPDI vis-à-vis a third party, unless disclosure of such information has been agreed to in a contract with the information provider or such disclosure is necessary for compliance of a legal obligation. Transfer of information including SPDI to another body corporate or person should be made only if the same level of data protection as prescribed under the SPDI Rules is maintained by the receiver of such information and consent for such data transfer has been obtained from the information provider.

Disclosure of SPDI by an AMC to any third party shall require prior permission from the provider of such information, who has provided such information under lawful contract or otherwise, unless such disclosure has been agreed to in the contract between the AMCs and the provider of information, or where the disclosure is necessary for compliance of a legal obligation.

AMCs upon obtaining knowledge by themselves or have been made aware about any such information as mentioned in clause 8 of Annexure 1 by an affected person in writing or through email signed with electronic signature, should act within the prescribed time frame (presently thirty six hours) and where applicable, work with user or owner of such information to disable such information that is in contravention of clause 8 of Annexure 1. Further, AMCs should preserve such information and associated records for at least ninety days for investigation purposes.

AMCs should publish on their website the name of the Grievance Redressal Officer and her/his contact details as well as the mechanism by which an aggrieved person could notify her/his complaint against such access or usage of computer resource of the AMC/ RTA or other matters pertaining to the computer resources made available by it. The Grievance Redressal Officer should redress the complaints expeditiously within a reasonable time, no later than one month from the date of receipt of the complaint.



3. Processing of Transactions and Preservation and Retention of Information

The ease of conducting financial transactions is one of the reasons to Go *Digital*. An Investor has the freedom to transact whenever and wherever she wants and is not required to be physically present to conduct a transaction. Further, digital transactions offer cost savings in terms of processing such transactions for the AMCs. However, at the same time, electronic transactions have higher risk of identity theft and are vulnerable to cyber crime.

In order to balance the convenience and risk involved in digital transactions, the following minimum standards are recommended to be ensured while processing electronic transactions by mutual funds and their RTAs.

On-line (Paperless) account opening:

AMCs should use e-authentication technique using Aadhaar e-KYC services or verify the digital signature of the investor at the time of opening of a new folio.

The following guidelines need to be implemented for each investor in a folio:

1. In case e-authentication using Aadhaar services is not used or the digital signature of the investor is not verified at the time of opening the account, then validation of the investor's identity should be conducted using secure methods which uniquely and irrevocably identify the investor, such as by sending a One Time Password (OTP) to the email address / mobile number registered in the KRA/ CKYC/ Aadhaar database.
2. Investor's consent should be obtained to agree with all terms and conditions of the SAI, SID, electronic transactions and the privacy policy of the Mutual Fund/AMC. The terms and conditions for electronic transactions and the privacy policy may be provided to the investor by way of a hyperlink before she/he provides her/his consent to the transaction and for any future sharing of personal information of the investor to third parties.
3. Investor needs to be KYC compliant before opening of the account/folio.
4. Investor needs to mandatorily provide her/his mobile number and email address.



Minimum standards for redemption and switch transactions to address the risk of the investor repudiating the transaction:

Two factor authentication is recommended to be implemented by using methods such as by way of a user id – password verification and OTP sent to the registered email address and/or mobile phone number of the investor and verified, where more secure methods such as biometric verification have not been used to authenticate the transactions. AMCs may also consider additional safeguards/ incremental authentication above a specific monetary threshold.

Minimum standards for Registration/ change in Bank Mandate:

1. Two factor authentication should be implemented by using methods such as by way of a user id – password verification by means of OTP sent to the registered email address or mobile number of the investor where more secure methods such as biometric verification have not been used to authenticate the transactions.
2. Cooling off period of 10 calendar days to be followed.
3. AMC should conduct checks to ensure that the Bank Account belongs to the Investor (Third Party verification). This may be done by means of verification of scanned image of a cancelled cheque uploaded by the investor or by means of ‘penny-drop’ or verification by other similar/equivalent method to eliminate third-party payments.

Minimum standards for change in Mobile number / Email address:

1. Two factor authentication should be implemented by using methods such as by way of a user id – password verification by means of OTP sent to (i) the registered email address of the investor, if the mobile number has been changed or (ii) the mobile number of the investor if the email id has been changed, where more secure methods such as biometric verification have not been used to authenticate the transactions.
2. In case of change in the mobile number, an intimation of such a change should be sent to both the old and new mobile numbers and also to the registered email address of the investor.



3. In case of change in the email address, the intimation of such a change should be sent to both the old and new email addresses and also to the registered mobile number of the investor.
4. Both email address and mobile number cannot be updated at the same time electronically. There should be a minimum cooling off period of ten days between the two changes.

Preservation and Retention of Electronic Records

Documents, records or information relating to electronic transactions should be retained in the electronic form in such a manner that the information contained therein is retrievable and accessible for subsequent reference, whenever required. Electronic records should be retained in the format in which they were originally generated, sent or received or in a format which can be demonstrated to represent accurately the information originally generated, sent or received. Such records should contain the details which will facilitate the identification of the origin, destination, date and time of dispatch or receipt of such electronic record.

Minimum standards for preservation and retention of electronic records:

- Records of electronic transactions including obtaining of consent from investor electronically must be maintained as records for the minimum statutory period as is applicable for physical records.
- The electronic record must also contain the Internet Protocol (IP) address from where the record was received and should facilitate the identification of the origin, destination, date and time of dispatch or receipt of such electronic record.
- Electronic records should be stored in such a manner that the information is easily retrievable in future.
- Periodic tests/ audits should be conducted to ascertain that the information contained in the record is retrievable.



4. Reasonable Security Practices and Procedures

AMCs and RTAs need to define and implement procedures to ensure the integrity and consistency of all data stored in electronic form, such as databases, data warehouses and data archives.

AMCs should implement Information Security Management System (ISMS) best practices for their critical functions/processes. An AMC shall be considered to have complied with reasonable security practices and procedures, if it has implemented such security practices and standards and have a comprehensive documented information security programme and information security policies that contain managerial, technical, operational and physical security control measures that are commensurate with the information assets being protected with the nature of business.

The international Standard IS/ISO/IEC 27001 on "Information Technology – Security Techniques - Information Security Management System - Requirements" is one such standard which would be considered as reasonable security practice and procedure.

One of the most critical functions of an AMC is to deal with the investor data and transactions which contain SPDI of the Investors. Hence the RTAs should provide an annual IS/ISO/IEC 27001 certification to the AMCs. AMCs should report cyber security incidents and also share cyber security incidents related information with the Indian Computer Emergency Response Team.

AMCs/ RTAs should provide designated telephone lines where unauthorized electronic transactions can be reported. These telephone numbers should also be prominently displayed in the home page of the online website of the AMCs/ RTAs.

AMCs/ RTAs may put in place additional controls to authenticate electronic transactions depending on amount-based thresholds such as providing a facility to the investors to provide transaction based or period-based limits with respect to the electronic transactions, based on the risk appetite of the investor.



5. Channel Partners/ RIAs / Stock Exchange Platforms/ MFU

The AMCs accept transactions in electronic form from Channel Partners/ Registered Investment Advisers (RIAs)/ Stock Exchange Platforms /MF Utilities (MFU). The data integrity and security of the data received from these entities is very critical in order to ensure seamless processing of transactions. Further, AMCs are regulated entities and must perform the obligations prescribed for an Intermediary under the IT laws.

Since AMCs are responsible to their customers to comply with the applicable IT laws and would be required to rely on the data collected by the aforesaid entities with respect to the transactions received from such entities, AMCs should protect themselves through legally enforceable contracts and ensure that these entities are contractually responsible to implement all requirements of the applicable IT laws. This can be implemented by including suitable clauses in the Agreements executed with the entities.

Standard clauses which are advisable to be included in the Agreements with such entities are given in **Annexure 3**.



Annexure 1

Rules and Regulations for access or usage of _____ AMC's computers resource by any person

You can access < name of the website> (herein after referred to as "this Website") or any of the AMC's computer resource, subject to the terms and conditions of use, as changed / updated from time to time entirely at the discretion of ----- AMC as set out below ("**Terms of Use**"). This Agreement is for an indefinite term and you understand and agree that you are bound by such terms.

General

1. You understand that ---- AMC may at any time, at its sole discretion and without prior notice to you, prohibit or restrict your access to this Website or related services or may discontinue or change, at any time, any of the services available through this Website.
2. Pages within this Website may contain supplemental Terms and Conditions and additional disclosures and disclaimers, which are in addition to these Terms and Conditions, disclosures and disclaimers.

Capacity to contract

3. You must be 18 years of age or older to visit or use this Website in any manner. In the event that you are below 18 years of age, you are visiting this Website at your own risk and you alone shall be liable for your actions. By visiting this site or accepting these Terms of Use, you represent and warrant to --- AMC that you are 18 years of age or older, and that you have the right, authority and capacity to use this Website and agree to and abide by these Terms of Use. By using this Website, you agree to follow and be bound by all terms and conditions concerning your use of this Website.

Compliance with Applicable Laws

4. This website is intended for use by such investors, prospective investors and distributors authorized by law and regulations to invest / deal in Mutual Fund units. This Website is not intended for distribution, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. It is the responsibility of the respective person who accesses the information contained herein to observe all applicable laws and regulations of the relevant jurisdictions.
5. The Use of this Website may be monitored, tracked and recorded. Any unauthorized, unlawful access may be subject to a legal recourse by the AMC / Trustees / Sponsors of the Mutual Fund.



User representations and warranties

6. You represent and warrant to --- AMC that you will use this Website in a manner consistent with any and all applicable laws and regulations.
7. You represent and warrant that you will not make any unauthorized usage of this Website including but not limited to the following:
 - a) transmitting or sending unsolicited commercial or marketing communications;
 - b) deleting or revising any content;
 - c) attempting to decipher, decompile, disassemble or reverse engineer any of the software comprising or in any way making up a part of the Site; and
 - d) aggregating, copying or duplicating in any manner any of the content or information available from this Website.
8. You represent and warrant that the you shall not host, display, upload, modify, publish, transmit, update or share any information that —
 - a) belongs to another person and to which you do not have any right to;
 - b) is grossly harmful, harassing, blasphemous defamatory, obscene, pornographic, paedophilic, libellous, invasive of another's privacy, hateful, or racially, ethnically objectionable, disparaging, relating or encouraging money laundering or gambling, or otherwise unlawful in any manner whatever;
 - c) harms minors in any way;
 - d) infringes any patent, trademark, copyright or other proprietary rights;
 - e) violates any law for the time being in force;
 - f) deceives or misleads the addressee about the origin of such messages or communicates any information which is grossly offensive or menacing in nature;
 - g) impersonates another person;
 - h) contains software viruses or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer resource;
 - i) threatens the unity, integrity, defence, security or sovereignty of India, friendly relations with foreign states, or public order or causes incitement to the commission of any cognisable offence or prevents investigation of any offence or is insulting any other nation

Contents on this Website

9. While due care has been taken to ensure the accuracy of information on this Website, the Mutual Fund, the AMC, the Trustee Company, the Sponsors and the RTA, shall not in any way be responsible for any loss or damage arising in contract, tort or otherwise from:
 - a) any inaccuracy or error or omission of any data.
 - b) interruption or delay in the provision of this service.



10. In addition to and without limiting the foregoing, _____ AMC shall not be liable for any harm caused by the transmission, through the services or information, of a computer virus, or other computer code or programming device that might be used to access, modify, delete, damage, corrupt, deactivate, disable, disrupt, or otherwise impede in any manner the operation of the services or any of the user's software, hardware, data or property.
11. You specifically agree that _____ AMC shall not be responsible for unauthorized access to or alteration of your transmissions or data, any material or data sent or received or not sent or received through the Website.

Property rights in information and services

12. All trademarks, logos and service marks, information and content provided on this Website, including its design structure and compilation, are privately owned Intellectual Property Rights of --- AMC and/or its affiliates or group companies and/or otherwise permitted for the use of --- AMC. You may not copy, transmit, distribute, modify, reuse, sell or display any of the Proprietary Content for any purpose except with the prior written consent of --- AMC, which it may issue in its sole discretion. Unauthorised use of the materials appearing on the Website may violate copyright, trademark and other applicable laws, and could result in criminal or civil penalties. You are granted a non-exclusive, non-transferable and limited right to access this Website.

Linked sites

13. _____ AMC provides links to other sites for the convenience of users in locating related information and services. The content to which links may be made available on this Website have not been developed, checked for accuracy, or otherwise reviewed by ---- AMC. It makes no representations whatsoever about any such website which the user may access through this Website and is not liable to users for any content viewed by them through a link which may be provided from this Site. A link to a website does not mean that ---- AMC endorses or accepts any responsibility for the context or the use of such website.
14. ----- AMC is not liable for any loss or damage caused by any delays, inaccuracy, errors or omissions in the content of any link, whether actual, alleged or consequential. ----- AMC is not liable for any content displayed on the linked website, not furnished or provided to it by any third party including, without limitation, the accuracy, subject matter, quality or timeliness of such content. It is the responsibility of the user to take necessary precautions to ensure that whatever is selected for use is free of such items as viruses and other items of a destructive nature.

Indemnity

15. You agree to indemnify and hold --- AMC, Sponsors, its subsidiaries, affiliates, officers and employees, harmless from any claim, demand or damage, including reasonable attorney's fees, asserted by any third party due to or arising out of your use of or conduct on the Site.



Amendments

16. ----- AMC reserves the right to add, amend or revise, in whole or in part, any of the services or contents on this website or these Terms and Conditions at any time without prior notice. Any addition, suspension, revision, amendment, cancellation or suspension shall be effective and binding on users. You are requested to keep yourself updated for the changes by reading the same from time to time

Governing law

17. The Usage of this Website and these Terms and Conditions shall be governed by /construed in accordance with, the laws of India.

Jurisdiction

18. Any dispute arising out of the Scheme(s) and the usage of this Website shall be subject to the exclusive jurisdiction of the Courts in India.

_____AMC reserves the right in its sole discretion to investigate and take legal action against anyone who engages in any illegal or prohibited conduct or otherwise violates these Terms and conditions.

Your continued use of this Website will be deemed acceptance of these terms and you will be unequivocally bound by all these terms and conditions, including amendments, if any.

_____ AMC has appointed ----- as the Grievance Officer to redress complaints arising from the usage of this Website or usage of any computer resource provided by the AMC. The contact details of ----- are as under:

Name :

Telephone Number:

Email :

In case you have any complaints arising from the usage of this Website or any of the terms and conditions mentioned above including unauthorized usage by anyone as detailed in clause 8 above or the usage of any computer resource provided by the AMC, you are requested to contact the Grievance Officer at the details mentioned above.



Annexure 2

Policy on Privacy & Security of Information

We, at _____, respect investors/customers/clients right to privacy.

We recognise that the lawful and correct treatment of personal data is very important to maintain investor's confidence in ourselves.

It is our endeavor to ensure that any personal data that we collect, process, record or use in any way whether it is held on paper, on computer or other electronic media will have appropriate safeguards in place to comply with our obligations of confidentiality and privacy.

In this regard, we request investors/clients/customers to kindly read this “Policy on Privacy and Security of Information” carefully.

The terms as may be used in this document would be in accordance with “The Information Technology Act 2000 as amended till date, Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011” and such other rules/regulations and Circulars as may be applicable.

Interpretation

- All references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa. All references to client/customer/investor whether masculine or feminine include references to non-individuals also unless repugnant to the context thereof;
- Any reference to any statute or statutory provision shall be construed as including a reference to any statutory modifications or re-enactment therein from time to time;
- Headings are for ease of reference only.

The Policy

_____ (‘AMC’), a Company incorporated under the Companies Act, 1956, has been appointed as the Investment Manager to the Schemes of _____.
_____ (Trustee Company) is the Trustee to the Mutual Fund.
_____ is the Sponsor of the Mutual Fund.

The AMC either directly or through third party service providers engaged by the AMC (Service Providers) such as the Registrar and Transfer agents collects, receives, possesses, stores, deals or handles information received from investors/client/customers whether existing or prospective.

Such information can be personal and sensitive in nature as per the indicative list given below:



- Bank Account details change of bank account details or registration of multiple bank accounts etc. through application forms;
- Payment instrument details at the time of submitting application at the time of investment or as proof for carrying out change of bank account or any other details of debit card obtained (if any);
- Generation and storing password (PIN) in encrypted form based on the request from the investor under the online mode of investments;
- Biometric information obtained, if any;
- Demat Account details like beneficiary account no. etc.;
- Annual Income and savings profile; and
- Other information as may be considered as sensitive and personal.

The aforesaid information is being collected by the AMC/Service Providers to respond to your requests, to process the investment applications and to also ensure safe subscriptions/redemptions through points of acceptance in physical form, website, online portals, Automated Teller Machines and such other mode. The AMC may also call the investors to inform them with respect to the other products or services offered by the AMC. The said information is also being collected to be compliant with the Know Your Client (KYC) norms under the Prevention of Money Laundering Act, 2002, (PMLA), the rules issued thereunder, and guidelines and circular on Anti- Money Laundering issued by SEBI and SEBI (Mutual Funds) Regulations, 1996 as amended till date.

The aforesaid information is the basis of our ability to provide investors/clients/customers with good, qualitative, timely and efficient service, while also keeping the information and data provided totally secure and confidential.

We endeavor to have suitable technical, operational and physical security controls and measures to protect investors/customers/clients personal/sensitive data or information that are commensurate with the nature of our business at all times.

We permit only authorized employees who are trained in the proper handling of customer information, to have access to aforesaid information. We would ensure to enter into suitable terms with third party service providers in order to protect client confidentiality and follow a non-disclosure or restricted disclosure policy. Further, the employees who violate the privacy and confidentiality promise shall be subjected to disciplinary action.

We shall reveal only such information to external authorities as may be found relevant and necessary in order to comply with the applicable laws of the land and to third party service providers to ensure smooth functioning of the activities as may be prescribed under applicable laws like Registrar and Transfer Agents/distributors/banks/sub-brokers/call-centers/custodians/depositories and such other entities/persons. By using our website or by agreeing to transact with us, you agree to the above sharing of information during your relationship with us. We may also be required from time to time to disclose investors/customers/clients



personal information to governmental or judicial bodies or agencies or our regulators based on their requirement to comply with the applicable laws including cyber laws. In addition to the above we may also use the information shared by investors/clients/customers to contact investors/clients/customers regarding the products and services offered by us and seek feedback on the services provided. Further, such information may also be used by us to generate statistics and reports and/or to protect and defend the rights, interest and property of the Mutual Fund, AMC, Trustee Company, Sponsors & its affiliates and directors and/or to enforce legal rights or provisions of the Scheme related Documents of the Mutual Fund viz. Scheme Information Document (SID), Statement of Additional Information (SAI) and Key Information Memorandum (KIM). Further, it may be noted that Internet Protocol (IP) addresses, browser supplied information and site session information may be recorded as part of the normal operations and for security monitoring purposes.

Nevertheless, it is our foremost endeavor to ensure that the Customer's Privacy is protected at all points in time. The customers/clients (whether existing/prospective) must ensure to recheck the information or data being provided to the AMC or any person acting on its behalf. In case if any of the data/information is found to be inaccurate or incorrect, the same shall be informed to the AMC for immediate amendment. The AMC and any person acting on its behalf shall not be responsible for the authenticity of the personal information or sensitive personal data or information supplied by the customers/clients (whether existing/prospective).

Our website may use cookies. By using our website and agreeing to these terms of use, you consent to our use of cookies in accordance with the terms of our privacy policy.

Investors/ Customers/ Clients shall not be covered by the terms of this Policy if they access other websites using links from this website.

Further, despite our efforts to protect investors/customers/clients privacy, if unauthorized persons breach security control measures and illegally use such sensitive/personal data or information, the Mutual Fund, AMC, Trustee Company, Sponsors and its affiliates and directors shall not be held responsible/liable.

Amendments/Modifications

This Privacy Policy available on our website is current and valid. However, the AMC reserves the right to amend/modify any of the sections of this policy at any time and the clients/customers/investors are requested to keep themselves updated for changes by reading the same from time to time.

Retention of information/data

It may be noted that we may retain the data as may be provided by the client/investors/customers till such time as may be provided under the law and as required to efficiently provide service to the clients/investors/customers.



Grievance redressal

If investors/customers/clients have any concerns relating to their personal and sensitive information they may be addressed to _____. For more details please refer to the Scheme related documents available on our website viz._____.

Investors/clients/customers shall have expressly consented to the terms of this Policy if they enter and use this website or provide any information while transacting with us.



Annexure 3

Standard Clauses to be included in the Agreement with Channel Partners/ RIAs/ Stock Exchange Platforms / MFU

1. The Channel Partner/ RIA/Stock Exchange Platform/ MFU (henceforth termed as the Entity) for the purpose of providing its services under this Agreement, shall, at all times during the term of this Agreement, comply with Information Technology Act and applicable rules & regulation and shall maintain such resources and transmission infrastructure and equipment as are reasonably necessary to maintain a high standard of transmission of data in terms of timing, quality, reliability, authenticity, integrity and content.
2. The Entity confirms that it has requisite and robust system in place to ensure that the funds remitted towards subscription to the units of the Scheme of the Mutual Fund, is made from the verified Bank Account of the First Unit holder/Joint Bank Account in which applicant is one of the holder. No third party payments will be permitted and if the AMC becomes aware of the same, the said transaction shall be at the sole discretion of the AMC subject to rejection. The Redemption payments and the Dividend pay-outs shall be credited directly into the bank accounts of the Investors.
3. The Entity shall ensure adequate security, alerting and monitoring of its Website at all points in time. The Entity shall advise AMC/RTAs in case any significant alerts, security breaches or other incidents including a significant attack on the Website having the effect of disrupting the service provided under this Agreement are detected.
4. The Entity confirms that it has robust IT security and controls in place to protect its Clients confidentiality including controls as required under IT (Reasonable Security Practices & Procedures and sensitive personal data of information) Rules, 2011 as amended from time to time.
5. The Entity shall at all times use reasonable endeavours to ensure that system / platform is / will not be contaminated by any Harmful Code and will, in the event of any Harmful Code being detected or suspected, notify the AMC as soon as possible and make reasonable efforts to ensure that such Harmful Code is removed. Further, the Entity in the event of interruption of any service or loss of use and/or access to the Online Mode shall restore the service and / or access to the Online Mode within the earliest possible time.

Definition of “Harmful Code” Harmful Code means any computer code, programming instruction or set of instructions that is intentionally and specifically constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or hardware without the consent or intent of the computer user. This definition includes but is not limited to self-propagating programming instructions commonly called viruses or worms.



Minimum IT Operational Controls to be put in place

6. The Entity shall ensure that IT logs of the Investor are captured for all electronic transactions. The consents given electronically by the Investor need to also be captured and stored as a record by the Entity. All transactions provided by the Entity to the RTA should be accompanied with the IP address of the Investor for transaction.
7. With respect to the electronic transactions, it must be ensured that these records are retained in electronic form in such a manner that:
 - a) the information contained therein remains accessible so as to be usable for a subsequent reference;
 - b) the electronic record is retained in the format in which it was originally generated, sent or received or in a format which can be demonstrated to represent accurately the information originally generated, sent or received;
 - c) the details which will facilitate the identification of the origin, destination, date and time of dispatch or receipt of such electronic record are available in the electronic record