



Association of Mutual Funds in India

C-701 Naman Corporate Link, Plot Nos. C-31 / C-32, G Block,
Bandra Kurla Complex, Bandra – East, Mumbai – 400 051

CIR/ ARN-22/ 2022-23

April 07, 2022

To All AMFI Members

Dear Members,

Sub: Revised Code of Conduct for Mutual Fund Distributors

As per SEBI circular no. MFD/CIR/06/210/2002 dated June 26, 2002 read with SEBI / IMD / CIR No. 8 / 174648 / 2009 dated August 27, 2009, it is mandatory for all intermediaries of mutual funds units to strictly follow the code of conduct prescribed by AMFI. SEBI has also stated therein that no mutual fund shall deal with those intermediaries who do not follow the code of conduct.

The code of conduct for mutual fund distributors (MFDs) was last revised by AMFI in the year 2013, pursuant to regulatory reforms introduced by SEBI to re-energize the mutual fund industry in September 2012 and introduction of SEBI Investment Advisers Regulations, 2013. Since then, there have been significant changes and developments in the mutual fund industry. It was therefore felt expedient to review the code of conduct to align the same with the changes in the eco-system and enhance governance standards amongst the MFDs.

Accordingly, a revised the code of conduct for MFDs was proposed, based on the recommendations of AMFI's Standing Committee on Certified Distributors ("ARN Committee") and concurrence of the Board of AMFI. The draft of the revised code of conduct was submitted to SEBI for SEBI's consideration and review.

The revised code of conduct was deliberated at the Mutual Funds Advisory Committee (MFAC) meeting held on July 15, 2021. Based on the deliberations by the MFAC and internal discussions at SEBI, and subsequent communication exchanged between SEBI and AMFI, SEBI has made a certain modifications to the revised draft of the code of conduct submitted by AMFI and has advised AMFI to issue the same expeditiously vide SEBI's letter no. SEBI/HO/IMD/IMD-I DOF5/P/OW/ 2022/14567/1 dated April 04, 2022.

A copy of the revised Code of Conduct for MFDs along with a copy of the aforesaid SEBI letter are attached herewith for necessary action / implementation with immediate effect.



SEBI has reiterated in the above letter that as mentioned in SEBI Circular dated August 27, 2009, the onus of ensuring that MFDs strictly follow the Code of Conduct prescribed by AMFI is on the AMCs.

Further, as mentioned under para 4 of the aforesaid SEBI letter, AMCs shall place the due diligence report/audit report on MFDs along with the action taken thereon before their respective Boards and the same shall also be reported to SEBI in their CTR(s) and by the Trustees in their Half Yearly Reports.

With regards,

A handwritten signature in blue ink, appearing to read 'B. M. Kini', written over a diagonal line.

B. M. Kini
Dy. Chief Executive