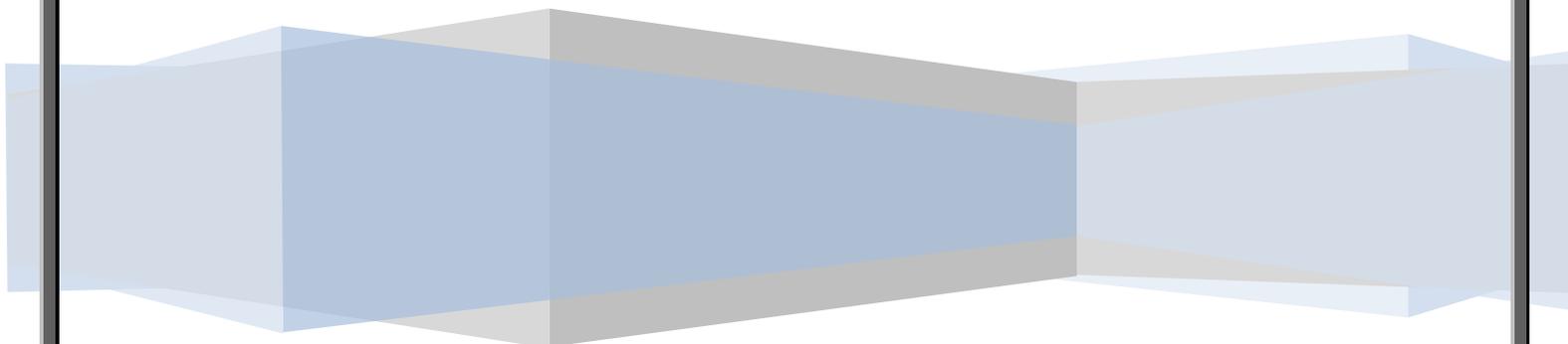




Investing in mutual funds has never
been simpler.

A Quick Reference Guide



INDEX

Sr. No.	Details
1	About BSE
2	Genesis of the StAR MF platform
3	Benefits for the stakeholders
4	StAR MF platform Features
5	Eligibility for Participation
6	Advantages of platform vis-à-vis physical distribution mode
7	Broad structure of the StAR MF platform
8	Transaction Process Flow
9	Timelines
10	Systematic Investment Plan 'SIP' Facility
11	Exchange SIP or 'XSIP' Facility
12	Transactions on behalf of NRIs
13	Eligible MF and ETFs units as Collateral

- 14** Commonly Asked Questions
- 15** Recent Updates in the StAR MF Platform
- 16** BSE offers Membership for Rs. 10 lakhs only



1. About BSE:

BSE – Driving the Indian capital market:

Asia's first stock exchange, BSE continues to bring trust and stability to the capital market in India. It has over 100,000 trading terminals connected through 2700+ high-speed lease Lines and 1500+ VSATs which are spread over 203 cities.

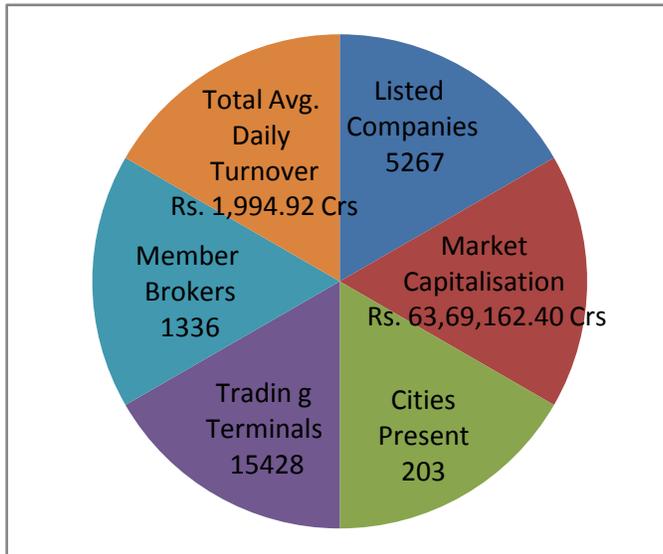
BSE has a proven trading and settlement platform assuring efficient on-time transactions and is a Self-Regulatory Organization (SRO) ensuring transparency to all stakeholders. It has ISO certified processes governing clearing and settlement, Information Technology and Surveillance and offers seamless settlement processes.

Also, BSE has 2 of the world's best exchanges, Deutsche Börse and Singapore Exchange, as its strategic partners. BSE's flagship product – **SENSEX**, India's first stock market index launched in 1986 is regarded as the barometer of the Indian capital markets and is widely tracked worldwide.

BSE offers an array of products in the Indian capital market for its members to trade. The products that are currently available are Equity, Equity Derivatives (F&O segment), Debt segment, SME Segment, Direct Market Access, Securities Lending & Borrowing, Automated Trading, Exchange Traded Funds (ETFs) and Mutual Funds.

BSE's popular equity index - the S&P BSE SENSEX - is India's most widely tracked stock market benchmark index. It is traded internationally on the EUREX as well as leading exchanges of the BRCS nations (Brazil, Russia, China and South Africa).

Salient Facts about BSE:



2. Genesis of the StAR MF platform:

In order to extend the same convenience as investors in the secondary market have, to investors in Mutual funds, a SEBI Committee comprising exchanges, industry and depositories mapped out the modalities for collecting applications for Mutual Fund transactions through Stock Exchanges. The Committee had representatives from Industry, RTAs and of course, BSE and NSE.

With a new emphasis on gaining market share, the BSE has been focusing on enhancing performance through technology differentiation and innovation in products and services. This is apparent in some of the announcements made by the BSE in recent months. While we seek out new avenues for growth, bringing in greater financial inclusion and promoting efficiency in the Indian capital market, the Mutual Fund platform BSE Stock Exchange Platform for Allotment and Redemption of Mutual Fund Units or StAR MF, that was launched by the SEBI Chairman on December 4, 2009, is one of our key initiatives in this direction. It may be mentioned here that the BSE StAR MF Platform has also won recognition from the IT Industry by bagging the prestigious CNBC Nasscom IT Users' Award and the SKOCH Excellence Award. The platform is entirely browser-based and the authorized user simply requires a PC and an internet connection.

3. Benefits for the stakeholders:

Investors

1. **Reduction in paper work:** With respect to application forms, cheques, collection statements. Demat account holders benefit from much shorter delivery times than Physical accounts holders as Demat obviates significant amount of paper movement.



2. **Faster Execution:** Allotment by way of Demat credit. Hence investors can get Demat units on the **same day**/next working day following their date of application as well as redemption proceeds as per the respective TATs followed by the RTAs for each scheme.
3. **Convenience:** Existing investors can invest through the same channel (brokers) that they use to purchase stocks. Investors have the added convenience of viewing their Mutual fund investments all in one place along with the other investments in a single Demat account.

Members

1. **More products to offer:** Now investors can buy MF units through their broker.
2. **Increased Convenience:** The platform is web-based and hence far more easily accessible to members and their branches, franchisees, etc. The platform is also extremely user-friendly and requires minimum training to get started.
3. **Broader Customer base :** Investor who are currently investing in MFs can be introduced to secondary markets and vice versa leading to higher client capture.
4. **Broker Pool Account :** BSE StAR MF Platform has now progressed to the second phase from December 2010 where the subscription units and redemption proceeds are sent to the respective Broker's Pool Account for onward transmission to their clients thus reducing the members' risk of non/late clearance of client payment.

The platform is continuously upgraded and also incorporates useful suggestions from our constituents. AMCs and, of course, the all-important investors. As of September 2013, we have 33 AMCs covering over 96% of the industry AUM on platform offering 2740 scheme options.

4. StAR MF platform features:

BSE StAR MF™ is a browser-based fully automated online MF transaction processing system. The platform is feature-rich and highly flexible with:

- Browser-based front-end with a feature-rich and highly flexible platform
- Architecture that provides scalable operation and flexible deployment options
- Link-ups with both depositories - CDSL and NSDL and all RTAs
- Facility for one-time registration of client



- Facility of Branch, Dealer creation & Client level limit allocation – in-built risk management
- Bulk upload facility to Register Clients, Mapping client with Dealers/Branches, Client Payment Rejection, Order Entry (including SIP orders), updating Branches/Dealers/Clients balances
- Detailed & easy-to-use information on various schemes on offer
- Relevant report management features for BO and MIS
- Report Generation facilities
- Offers to investors for friendly and popular SIP (Systematic Investment Plan) facility
- User-friendly Order Entry with option of viewing schemes AMC wise, NFO/Open Market wise, SIP Schemes, Scheme Type wise, Institutional / Retail wise
- MIS for the AMCs who are our partners
- BSE StAR MF is configured to accept and process applications for Mutual Fund units in both Physical and Demat form
- Handles schemes of various TATs – Upto T+8 Settlement
- Also available on existing Leased Line Connection taken from BSE

5. Eligibility for participation:

All Members of BSE who are AMFI Certified (firm must be an ARN holder) are eligible to participate on this platform as Mutual Fund Intermediaries (MFIs). This requires certain formalities to be completed and the interested Member may contact their respective Relationship Manager for further information. SEBI has vide their circular dated November 9, 2010, permitted Clearing Members of Exchanges / Clearing Corporations to also transact in units of Mutual Fund Schemes on behalf of their clients. Further, SEBI has also permitted Depository Participants of Registered Depositories to process redemption requests only for units held in Demat form. Plans are afoot for allowing participation by Foreign Investors in Mutual Funds in India also – as per MOF the exposure they can take in Indian MFs is up to US \$ 10 billion.

BSE now conducts NISM Certification Examination (mandatory for obtaining ARN number) through its BSE Training Institute and also offers courses that provide knowledge and information on the Mutual Fund industry. If you or your employees are interested in taking the AMFI certification examination, you may please visit www.bseindia.com for further details on training courses as well as Certification / Examination details.

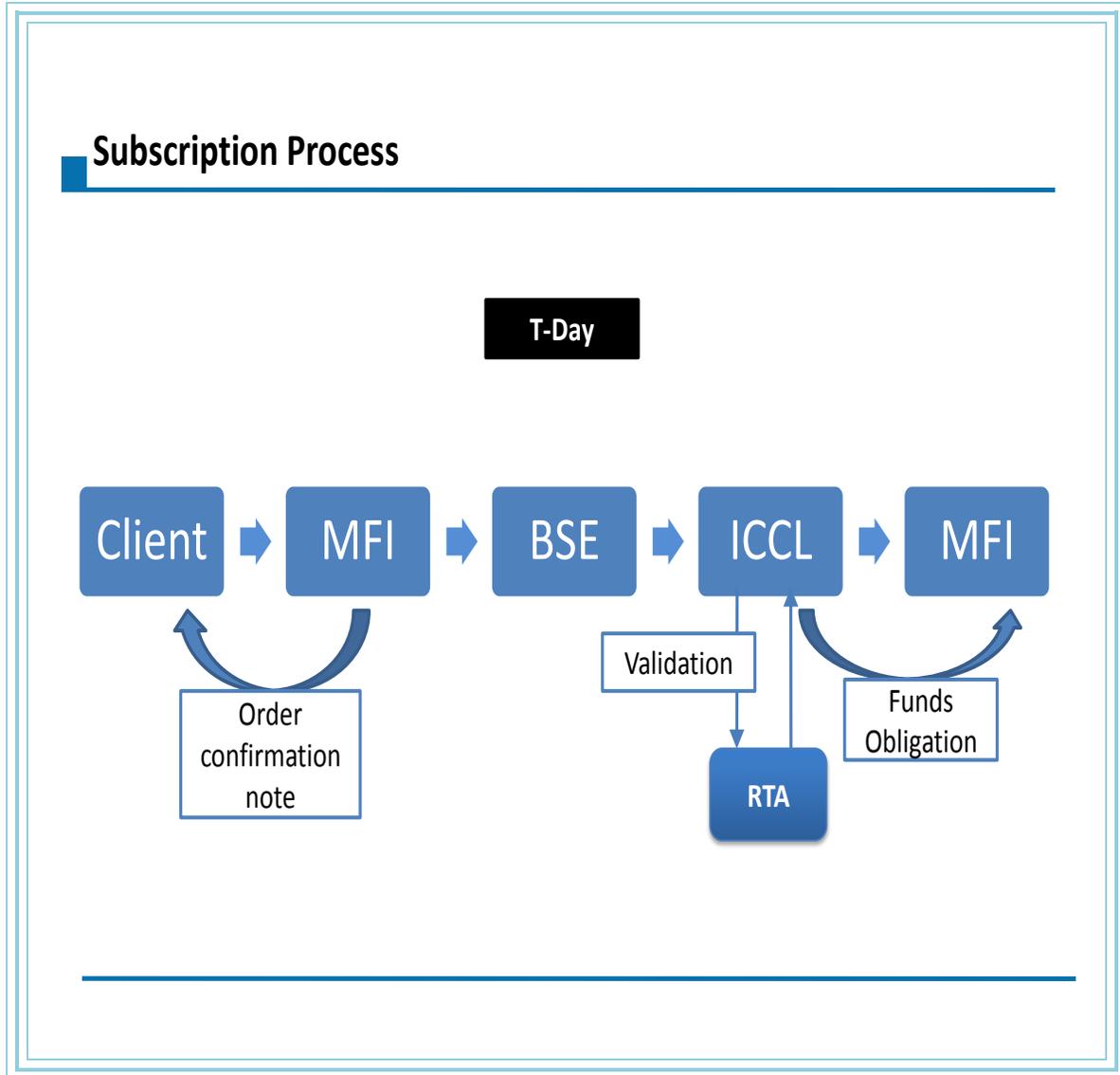
6. Advantages of platform vis-à-vis physical distribution mode:

- Broker / IFA - independent view of customer's entire portfolio at one place
- Reduction of paperwork and ensuing errors
- Reduction of redundancy in process and data duplication at RTA and Distributor levels
- De-risking MF settlement processes by using superior Delivery v/s Payment (DVP) process provided by Stock Exchanges
- Efficiently & effectiveness in addressing customer servicing issues
- Enable transparency to customers
- Charging customers for service at the point where it is rendered

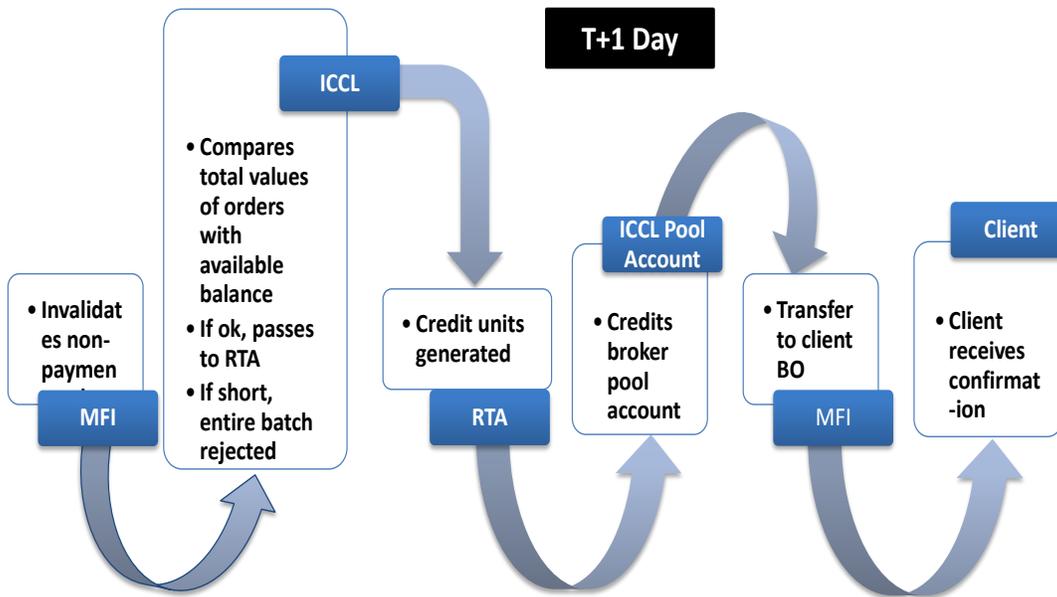
7. Broad structure of the StAR MF platform:

- Stock Exchange platform offers collection of buy/sell orders for those MFs that desire so – *in addition* to present distributor system
- BSE StAR MF offers Physical as well as Demat route
- Under Demat Route, investors who are currently not a brokers' clients need to open a Trading Account with their broker & a Demat Account with a Depository Participant of their choice
- Member brokers with ARN & NISM certification can extend the facility of online transaction in Mutual funds through BSE StAR MF after fulfilling few formalities with BSE and empanelling with respective AMCs (where necessary)
- Existing NAV norms (cut-off at 3pm) to apply. Platform available from 9.00 a.m. to 3.00 p.m.
- Equity, Debt and Liquid Schemes of MFs available on this platform
- MF to be counter party for all transactions – no Settlement Guarantee provided by BSE as it acts as facilitator only – however, Investor Grievance Mechanism that is presently available to equity transactions is available for Mutual Fund transactions also.

8. Transaction Process Flow



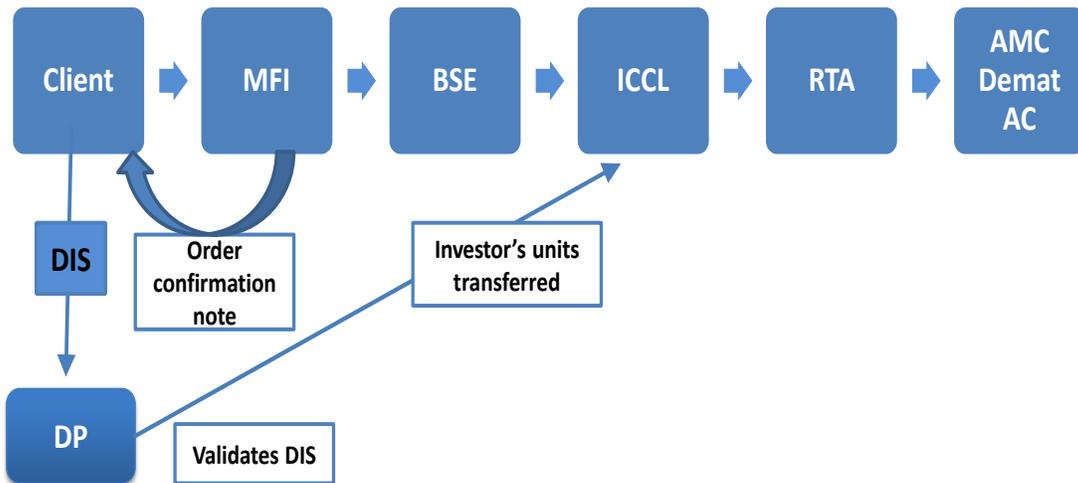
Subscription Process Contd..



Note : For Liquid Schemes in L0 Category (Historical NAV) and Debt / Equity Schemes in L1 Category, the cut-off time for subscription and funds is 1:00 p.m. to avail the benefit of Historical NAV (L0 Category) and T day NAV (L1 Category). In Liquid Schemes in L0 Category, units are allotted on the T day.

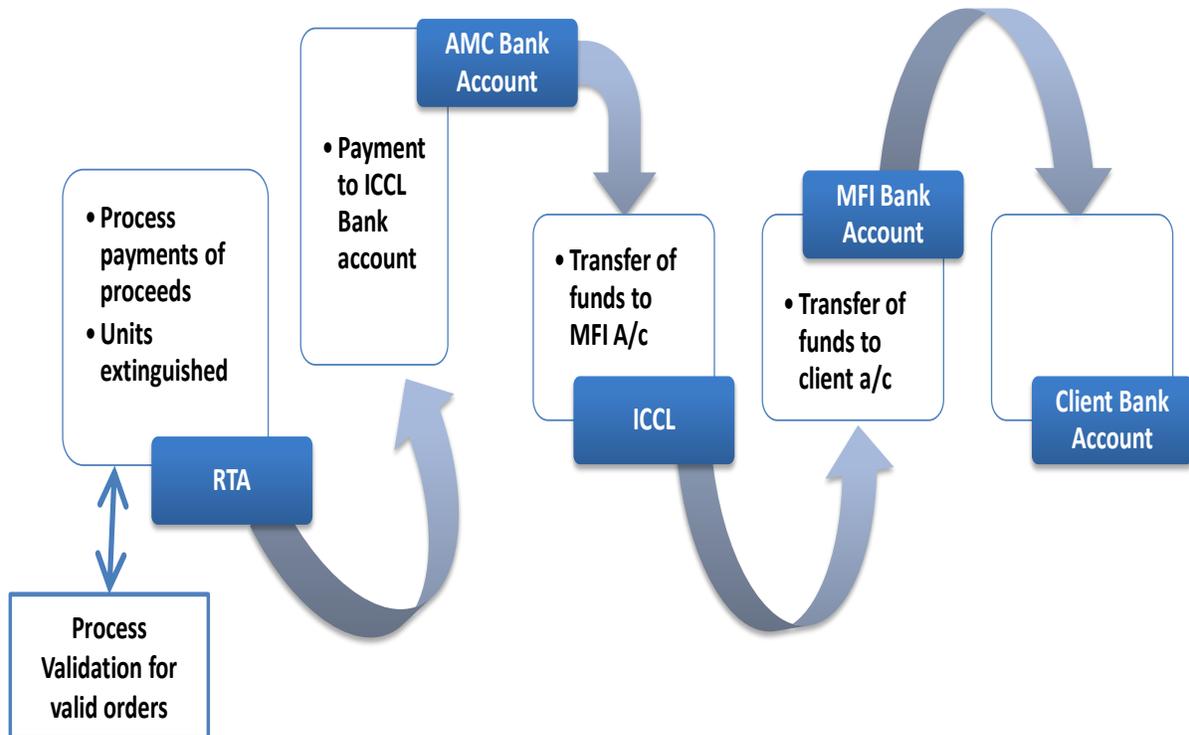
Redemption Process

T-Day



Redemption Process Contd..

T+1 Day



9. Basic timelines for the StAR MF Platform

Subscription Activities :

Process	Time		
	T Day		
	L0	L1	Normal
Upload the final subscription transaction feed to RTAs for all the valid purchase transactions received from 9:00 a.m. to 3:00 p.m. (L0/L1 upto 1:00 p.m). In case of any rejections from the RTA then the same would be rejected from the Exchange's system and will not be considered for any further process	1:00 p.m.	1:00 p.m.	3:30 p.m.
Download of valid order transaction file and obligation statement to brokers	1:15 p.m.	1:15 p.m.	5:00 p.m.
Download of Bank wise / Member wise Pay-in files to respective Clearing Banks	1:15 p.m.	1:15 p.m.	6:00 p.m.
	T Day	T Day	T+1 Day
Fate of Pay-in to be received from Clearing Banks	1:30 p.m.	2:00 p.m.	9:30 a.m.
Credit confirmation to be given to the RTAs	1:45 p.m.	2:45 p.m.	10:30 a.m.
Transfer of Funds related to subscription transactions to the credit of AMC account	Before 2:00 p.m.	Before 3:00 p.m.	Before 12:00 noon
		L1/Normal	
Receipt of Reverse Feed File for subscription transactions	2:00 p.m.	11:30 a.m.	
Uploading of Corporate Action (CA) file to both the Depositories (Done by RTA/AMC)	Before 3:30 p.m.	Before 2:30 p.m.	
Processing of CA file and generation of the Units in AMC beneficiary account (Done by Depository under instructions of RTA/AMC)	Before 3:30 p.m.	Before 2:30 p.m.	
Transfer of the units from AMC Beneficiary account to AMC Pool account in NSDL depository (Done by Depository under instructions of RTA/AMC)	Before 3:30 p.m.	Before 2:30 p.m.	
Making the Client level pay-in from the AMC beneficiary account to BSE's Clearing Corporation (ICCL) in CDSL Depository (Activity to be conducted by respective AMC)	Before 3:30 p.m.	Before 2:30 p.m.	

Uploading of Auto DO instructions by the ICCL in NSDL Depository	Not Applicable	Before 2:30 p.m.
Receipt of Pay-in files from both the Depositories	By 3:45 p.m.	By 2:45 p.m.
Uploading the pay-out file in both the Depositories resulting in transfer of units in Broker's Pool Account	By 4:00 p.m.	By 3:00 p.m.

Redemption Activities :

T Day	
Process	Time
Upload the validation transaction feed to RTA's for all the valid redemption transactions received up to 03:00 p.m. In case of any rejections from the RTA, the same would be rejected from the Exchange's system and will not be considered for any further process	3:30 p.m.
Investors to give the DIS in respect of the units redeemed to their respective Depository Participant (DP)	Latest up to 04:30 p.m.
Clearing house to upload the Receipt in file in both the depositories to enable the transfer of units from the Investors account to the Clearing House account	Up to 04:30 p.m.
Clearing house to upload the Delivery Out file in both the Depositories to enable transfer of units from Clearing House account to the AMC beneficiary account	Up to 05:30 p.m.
Exchange to upload the final Redemption transaction feed to RTA for all the valid redemption transactions received up to 03:00 p.m. and those transactions in case of which securities are received by the Clearing House and transferred to AMC beneficiary account.	Up to 06:00 p.m.

T + 1 Day

Process	Time
Receipt of Reverse Feed File for valid Redemption Transactions in case of both Debt/Liquid and Equity Scheme	09:30 a.m.



Credit of ICCL Bank Account for Valid Redemption transactions in case of Debt and Liquid Scheme	11:30 a.m.
Transfer of Funds Pay-out in respect of Debt / Liquid Scheme to the Broker's Bank Account	01:00 p.m.

10. Systematic Investment Plan "SIP" through BSE StAR MF

The Platform has seen large acceptance by brokers for facilitating their investors and BSE is today the leader in the segment with over 60% market share.

In keeping with the exchange's tradition of excellence and continuous enhancement, the investor popular facility of SIP was introduced w.e.f. Friday, December 10, 2010.

Some information about the SIP facility is given below :

SIP stands for Systematic Investment Plan – just as drops of water make an ocean, small but regular investments can go a long way in building wealth over time. This way an investor can make his investment grow step by step. It is always considered prudent to invest in small installments but with a long term horizon in mind. Systematic Investment Plan (SIP) helps you achieve just that. It is an investment technique where you deposit as little as say, Rs. 500 regularly every month into a selected mutual fund scheme at the then prevailing NAV(Net Asset Value).

SIP is fast gaining popularity amongst the investor community as an investment vehicle because of its various advantages such as :

- Small investment size per installment. An investor need not wait for or block up a large amount of funds at one time and instead can choose to invest small amounts that are more easily available. The SIP amount is very small and can be chosen by the investor from the various schemes made available by AMCs on the StAR MF Platform.
- Habit of continuous savings and investment – SIP creates habit of saving in a way as the investor is prompted regularly that he has to invest a small sum of money
- Lower average cost per unit – since the investments are spread over a period of time, buying fewer units during rising markets and buying more units during falling markets reduces the average cost per unit of one's investments – this concept is known as Rupee Cost Averaging.



The investor would now be able to use this popular tool to invest in SIP through their broker (MFI) and enjoy the conveniences afforded by BSE's exchange platform for Mutual Funds.

The brokers (MFIs) can register SIP for their clients on the StAR MF Platform in either the **physical mode** or through the **demat** (dematerialized) **mode**. The detailed operating instructions as well as the process guidelines for transacting in SIP for those schemes that are allowed on the StAR MF platform can be viewed on the following URL :

<http://www.bseindia.com/downloads/SIP-OperatinginstructionsandProcessManual.pdf>

11. XSIP – Exchange Systematic Investment Plan

In order to take away the burden of MFIs/Brokers in administrative activity for registering mandates and collecting SIP payments from the clients on the due date, the Exchange has offered XSIP facility on BSE StAR MF Platform on Friday July 27, 2012.

XSIP or EXCHANGE SIP is a facility offered to the MFIs/Brokers to register their client's ECS Bank Mandates and upon successful registration with the destination bank, to start registering SIPs for their mutual fund clients. Once the SIP is registered, the exchange would be sending the SIP installment collection data to the vendor Agency well in advance of the SIP installment due date and hence the SIP registration (effective START date for XSIP) and STOP request by the MFIs will be allowed up to T-10 working days only.

Once the SIP is registered in the system, the MFI / broker's work ends. The StAR MF system will automatically generate SIP orders on due date and the ICCL will arrange to collect the SIP installments thru the Agency (vendors) and send the same to the respective participating AMC on the due date. The client bank account will be debited between 3 to 5 working days before the SIP Due date as per the Location of the Clients Bank Account. Thus to the extent of value of XSIP orders on due date the MFI / Broker's obligation to pay money on T+1 in the pay-in to the exchange will be reduced. Presently this facility is offered free of charge to MFIs /brokers and the Exchange is bearing the cost of this facility with some contribution from the participating AMCs.

It may be noted that this XSIP facility is offered as an OPTION and the MFI may choose to continue registering SIPs and collecting funds from their client as they are doing today OR may



shift to the XSIP process. Further, the XSIP facility would be available to MFIs/Brokers only in respect of those AMCs that have agreed to participate in the XSIP process with the Exchange.

The detailed operating instructions as well as the process guidelines for transacting in XSIP for those schemes that are allowed on the BSE StAR MF platform can be viewed on the following URL :

<http://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20120725-19>

<http://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20120810-28>

12. Transactions on behalf on NRIs

BSE StAR MF Platform has started accepting subscription and redemption transactions on behalf of Non Resident Indians (NRIs) through their respective NRE/NRO accounts as applicable. This was an important facility that was missing on the online platforms and has now been introduced with sufficient safeguards regarding source and destination of funds invested in AMCs. MFIs transacting on behalf of NRI clients are required to send a scanned copy of the Foreign Inward Remittance Certificate (FIRC) or Debit letter in support of each and every subscription transaction to the AMC, superscribing thereon the Investor DP and Client ID as well as the ORDER ID of StAR MF. With these safeguards, the RTA would be able to track the source of funds as per RBI requirements.

13. Eligible MF Units and ETFs units as Collateral

BSEs Clearing Corporation-Indian Clearing Corporation Ltd ICCL has commenced the acceptance of units of Exchange Traded Funds or ETFs listed at BSE, as also units of schemes of AMCs that are available on BSE STAR MF, as eligible collateral towards margin requirements in different trading segments of BSE Ltd. These units can now be pledged in favor of the ICCL and the procedure for deposit and withdrawal of such collaterals would be similar to the procedure presently followed by member brokers for deposit of eligible equity shares towards collateral.

14. Commonly Asked Questions on BSE StAR MF



1. How is StAR MF different from the existing process for subscription to and redemption of mutual funds?

Till now, an investor who wanted to subscribe to a mutual fund had to identify a distributor of the mutual fund and submit all documents along with the payment instrument where applicable, to the distributor or directly to Mutual Fund / AMC/RTA. The subscription/redemption request would then get processed and the investor would know about the status of the request only in the form of a direct communication from Mutual Fund/AMC/RTA. In StAR MF, the investor has a chance to deal with a SEBI-registered BSE member who is eligible to participate in StAR MF for subscription / redemption of units. Members would enter the order into StAR MF. Investors would be able to know the order details and modify their order details till the order acceptance time ends i.e. up to 3.00 pm. By the end of the day, the investor would also get to know about the validity of his order and the value at which the units/proceeds would get credited/redeemed to his account.

2. Who all can use this new electronic platform?

All mutual fund investors can use this electronic platform of the BSE. This stock exchange platform is an additional facility and the existing physical route through MF distributor / IFA will continue as before. Individuals, HUF and Corporate Body can participate in StAR MF subject to completing the KYC procedure. In case of a minor, the guardian would have to be KYC compliant.

3. Does a MFI/BSE Member always have to go through a separate empanelment process each time to be able to transact on the related schemes?

The BSE would enable the AMC for MFIs/Members under the following circumstances:

1. When BSE receives a confirmation OR an instruction from the AMC for enabling the particular ARN i.e. MFI for their schemes or;
2. When BSE receives the confirmation letter of AMC, forwarded by MFIs, with regard to their being appointed / empanelled as a Distributor of their schemes. On receiving any of the above, the respective MFI is enabled / activated for the specific AMC. It is only a one-time process for each AMC and does not require to be activated for each scheme.



4. Can an investor invest in any and all Mutual Fund schemes?

An investor would be able to deal in MF units of only those Mutual funds that have signed up with BSE {Called participating MFs} for availing this facility. The AMCs would then notify the schemes that they wish to permit on the BSE platform. All schemes available on this platform as well as additions or deletions thereto would be informed to the BSE MFIs and investors through notices.

5. Who does an investor have to contact for availing this facility?

An investor has to simply contact a BSE MFI. He will guide the investor through all the modalities. If the investor is not dealing in the secondary market, he can sign up with any BSE MFI who offers this facility of electronic buy / sell of MF units and commence his investments subject to the easy fulfillment of the KYC norms, etc. that are to be statutorily followed as laid down by SEBI.

6. What are the days and time of availability of the platform?

BSE StAR MF is available on all business days of the Equity Cash Market segment. The BSE StAR MF is open between 9 a.m. and 3 p.m. - however on a need basis such as NFO, etc. it may be kept open longer after due notice to the market as required by the AMC.

7. Can the investor approach any member for placing an order on BSE StAR MF?

As mentioned in SEBI circular SEBI/IMD/CIR No.11/183204/2009, trading members of the BSE who are ARN holders and who have passed the AMFI now NISM certification examination will be permitted to participate herein known as Mutual Fund Intermediary. Trading members who are eligible and wish to participate will be required to apply to the Exchange and provide an undertaking in the prescribed format. Specific reference is drawn to all requirements as brought out in the above SEBI circular ref. SEBI/IMD/CIR No.11/1832Q4/2009 dated November 13, 2009.

Further, eligible members also have to register as distributors with the Mutual Fund Company. Hence, eligible members would be able to place orders only in respect of Mutual Fund Companies where they have registered as distributors.

8. What are the basic requirements of Investor /Client registration?

All MFIs would need to register their clients in the BSE StAR MF before submitting any applications on their behalf. The facility is available to the MFI to register the client details. The platform user shall not be allowed to place an order for the client if registration details of the client are not already available in the system. The MFI user can modify / delete client registration already maintained subject to certain restrictions. A batch upload facility is also available to set up client registration.

9. If an investor is already having an existing relationship with a StAR MF eligible member, what is the additional documentary requirement for BSE StAR MF?

If you are already using the services of a BSE member for your other investment needs and you already hold units of one or more mutual fund, the member would require you to sign up a letter consenting to participate on StAR MF. Thereafter, you could place a subscription/redemption order by meeting the requirements applicable for placing such an order.

10. What are the KYC requirements for a Mutual Fund Investor on BSE StAR MF ?

As per a SEBI circular dated November 13, 2009, where an investor is transacting in the demat mode i.e. through a beneficiary account, there would be no additional requirement of KYC and the KYC performed by the DP in terms of SEBI Circular no. 29 dated August 24, 2004, would be deemed sufficient.

For more details on KYC visit AMFI site:
<http://www.amfiindia.com/showhtml.aspx?page=kyc>

11. Should mutual fund units be held in Physical form or Demat form?

Investors have a choice of holding units either in Physical form or in Demat. However, for convenience of operations and ease of entry and exit it would be advisable to hold the units in Demat form.

12. For the purpose of holding units in Demat account, is there a requirement of opening a separate demat account?

If an investor already has an existing Demat account for holding of securities, the same account can be used for holding mutual fund units in Demat form also.



13. When an investor wishes to subscribe for a mutual fund through BSE StAR MF, what are the details investor needs to give to the Member for placing the order?

For placing a subscription order, an investor would need to mention the Unique Client Code assigned to the investor by the broker and give transaction details such as the name of the Mutual Fund, Name of the Scheme, the value i.e. money that investor intends investing, whether investor would like units in Physical form or Demat form, whether his/her subscription is fresh first time investor for a Mutual Fund scheme or additional. In case investor chooses the physical option for an additional purchase investor needs to provide the existing folio number also.

14. At the time of placing an order if the MFI Mutual Fund Intermediary makes a mistake in giving details would they be in a position to correct or modify the order?

Orders can be placed between 9.00 am to 3.00 pm. Within this time period, you would be able to request your member for correction of mistakes if any, including cancellation of order or placing a fresh order altogether.

15. What will be the number of units that an investor would get for the value that they decides to invest?

For all orders received in equity schemes up to 3.00 p.m Net Asset Value NAV of the business day will be the rate at which units would be allotted to the investor. For liquid and debt schemes in Normal Category, the NAV applicability will be based on the date of receipt of funds by the AMC, i.e. normally T+1. For liquid schemes in L0 Category, the NAV applicability would be T-1 and in Debt/Equity schemes in L1 Category, the NAV applicability would be T day.

16. For subscription, how should an investor make the payment?

For subscribing to Mutual funds through BSE StAR MF, an investor needs to make the payment in favour of the broker through whom the transaction is put through. The broker is responsible for making the payment to the ICCL on T + 1 in respect of all the valid transactions in Normal Category that have been submitted on the platform. In L0 and L1 Categories, the broker is responsible for making the payment to the ICCL on T day itself before 1:00 p.m. for all the valid transactions.

17. When and how will an investor get the credit of units to his/her Demat account?

After closure of order acceptance time, the Exchange would provide details to Mutual Fund / AMC / RTA and to the Depository in case of NFOs for validation. On receipt of the valid order information from both of these entities, on T+1 day as per the settlement calendar, the Exchange would debit the Settlement account of the Member towards all valid orders and then transfer the money to the concerned AMC/Mutual Fund Company. Thereafter the AMC/Mutual Fund/RTA would process the subscription request and credit Brokers Pool account on T+1 for onward transmission of units to investors Demat account. In case of LO Category, units are credited to the Member on T day.

18. What would be the process in case the investor has opted for subscription of units in physical form?

In case the investor has subscribed for units in physical form, the subscription form along with documents like copy of PAN of all holders, KYC acknowledgement of all holders needs to be sent by member to RTA/Mutual Fund essentially before 4.00 pm. Based on the order data sent by the Exchange RTA/Mutual Fund would validate the order information along with physical papers received and return the validated order information to the Exchange. The Exchange would debit the funds from the settlement account of the member only in respect of valid orders. In case the papers have not reached, RTA/Mutual Fund order would get invalidated. The information on invalid orders would be given to the Trading members who would in turn inform the investor.

19. What are the particulars that the investor needs to provide the member while placing a redemption order?

At the time of placing the order for redemption in respect of demat units, the investor needs to mention the Unique Client Code assigned to them by the broker and give transaction details such as the name of the Mutual Fund, name of the Scheme, and Number of Units to be redeemed.

20. Once the investors subscription/redemption order is placed on the BSE StAR MF, what confirmation would the investor get from a BSE Member?

Immediately after placing of order on BSE StAR MF, a member would be in a position to confirm the details of the order to the investor. By the end of the day, a member would

be able to issue order confirmation notes containing particulars like Mutual Fund, Scheme, value of subscription, Physical/Demat mode, brokerage and service tax applicable. In cases of rejection of the order, reason for rejection would also be communicated by the member.

21. In case of redemption of units in Demat form, to whom and how should the investor transfer the units?

In respect of redemption of units in Demat form, the investor should transfer units to the pool account of Indian Clearing Corporation Ltd. ICCL. He/she should ensure that he/she has given appropriate delivery instruction to the Depository participant before 4.30 pm.

22. When and how would the investor get redemption proceeds after transferring the units to ICCL?

ICCL on T + 1 day at the specified time would transfer units from its pool account to the concerned AMC/RTA's pool account. Thereafter AMC/RTA would process the redemption request at Transaction day's NAV and process payment of proceeds in the desired mode.

23. Are there any restrictions on maximum value or quantity for a single order on BSE StAR MF?

However, individual schemes of AMCs may have certain minimum amount for subscription / redemption which the system would validate at order entry.

24. What is the grievance handling mechanism under this platform? Is there any guarantee provided by the Exchange?

For any application related grievances, the Department of Investor Services of BSE will intermediate and resolve. However, for any insufficient allotment and related issues, the investor would need is the respective AMC which is, for all practical purposes, the counter party for all transactions.

25. Can an investor invest in any and all Mutual Fund Schemes?



An investor would be able to deal in MF units of only those Mutual Funds that have signed up with the BSE Called participating MFs for availing this facility. The AMCs would then notify the schemes that they wish to permit on the BSE platform. All schemes available on this platform as well as additions or deletions thereto would be informed to the BSE MFIs and investors through Notices.

You can also go to www.bseindia.com or www.sebi.gov.in for FAQs related to Mutual Fund Order routing through Stock Exchanges platform.

15. Recent Updates in the StAR MF Platform

Limited purpose membership for Mutual Fund Distributors

The SEBI Board in its meeting held on June 25, 2013, took the decision to allow Mutual fund distributors to take limited purpose membership of Stock Exchange with lesser financial and compliance burden to use infrastructure of Stock Exchanges for distribution & redemption of Mutual Fund Units.

To reduce the financial and compliance burden on these limited purpose members requirements such as SEBI registration, compliance as member of stock exchange, paid up capital and Base Minimum Capital etc, would not be applicable. The Exchange is in the process of prescribing suitable eligibility criteria in this regard including net worth requirements, membership fee etc. This new membership would be granted on the basis of ARNs, granted to Mutual Fund Distributor by AMFI. To address the possible risk of default by these limited purpose members, they will not be allowed to handle pay in and pay out of funds as well as units on behalf of investor. Pay in & payout of funds & units would be directly from/to the account of the investors.

Minor Transactions

In addition to the facilities available in BSE StAR MF Platform, the facility of investing in minor's name is made available for all investors (Individuals or Non Individuals) who wish to make new / additional investment of any amount in Mutual Fund Schemes in minor's name. This would also apply to new Systematic Investment Plan (SIP)/



Systematic Transfer Plan (STP)/ Dividend Transfer Plan (DTP)/ switch transactions. Investors kindly note that the minor's PAN is compulsory for all transactions.

Direct Payout to Clients (DPC)

When Mutual Funds Phase II was launched on 24th December 2010, the process to deliver the units in the Clearing Corporation's (CC) account was implemented. These units were then delivered in the broker member's account by the CC, from where they are further transferred in the buyer client's account.

Now, we are in the process of introducing new system of delivering the units directly in the buyer client's account from the CC's account (Direct Payout to Clients or DPC) as is existent in the Exchange's Equity Cash Segment. Members would be given the option to opt for DPC facility while executing the order.

This would enable the client to view the units in their account by End of Day and if needed to process the redemption of the said units.

15. BSE offers Membership for Rs. 10 lakhs only

BSE Limited is admitting Deposit Based Membership from all over the country against an interest-free refundable deposit of Rs. 10,00,000 (Rs. Ten Lakhs Only). A person desirous of doing only Mutual Fund business can become a member of BSE under the 10 lakh DBM scheme and once they obtain the approval of SEBI, they can commence Mutual Fund Business without payment of any further amount. In case they desire to commence business in any other segment then they would need to pay such further amount/deposit as may be applicable for that segment.



For further details or any assistance that you require in relation to the formalities and requirements to be met for BSE's Deposit-Based Membership (DBM) or for getting started on BSE StAR MF. Please contact **your BSE Relationship Manager or BSE Help Desk at +91-22-6136 3151**. They will help you with all the documentation and formalities that need to be completed for you to get started as soon as possible !

You can also visit our website www.bseindia.com for further details on StAR MF Platform and Deposit Based Membership.

For any queries related to operations / process please do mail us at mutual.funds@bseindia.com

Thank you

Very much

for your interest.

Welcome

On board

BSE StAR MF

September 2013