

BSE StAR MF

**Operating Instructions
And
Process Manual for
Systematic Investment
Plan (SIP)
On BSE StAR MF**

May 2014

The brokers (MFIs) can register SIP for their clients on the StAR MF platform in either the physical mode or through the demat (dematerialised) 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 are given below:-

SIP Registration - Physical Mode

T Day activities

1. A client (investor) who approaches MFI to register SIP in Physical mode has to submit the following documents/details to the MFI:
 - Completed and Signed respective scheme SIP Form
 - Copy of PAN Card of first holder
 - Copy of PAN Card of each additional holder in case of joint investment
 - Copy of KYC acknowledgement form (in case the of investment of Rs. 50,000/- and above) of all holders **PLEASE NOTE THAT W.E.F. JANUARY 1, 2011 ANY AMOUNT OF INVESTMENT – LOWER THAN RS.50,000/- ALSO, WOULD REQUIRE COMULSORY KYC AS PER SEBI AND AMFI GUIDELINES**
 - Copy of Guardians PAN Card and KYC in case investment is on behalf of minor
 - Folio No. in case the SIP registration is to be done against an existing folio.
2. The MFI shall verify the SIP application for mandatory details including PAN details **and KYC compliant acknowledgment issued by CVL** if the investment is for Rs. 50000/- or more or such amount as is specified by SEBI / AMFI from time to time. **PLEASE NOTE THAT W.E.F. JANUARY 1, 2011 ANY AMOUNT OF INVESTMENT – LOWER THAN RS.50,000/- ALSO, WOULD REQUIRE COMPULSORY KYC AS PER SEBI AND AMFI GUIDELINES FOR ALL CATEGORIES OF INVESTORS.**
3. After completing the verification the MFI shall enter the SIP Registration on the StAR MF platform with the option of settlement type 'Physical'. SIP Registration can be entered on the StAR MF system between 9:00 a.m. and 3:00 p.m. For SIP Registration the same would be done by going to the **MENU OPTION: SIP → SIP Registration → Selecting the AMC and Scheme Name**. For Physical order the folio No (if available) is captured on the StAR MF front-end. Along with this information the investor also needs to provide the following information for SIP:
 - Frequency of SIP (Weekly, Monthly, Quarterly, Semi-annual and Annual as per applicable options decided by AMC for the respective scheme)
 - Investment Amount (per SIP instalment in Rs.)

- Start Date (i.e. date of subscription order of first instalment)
 - End Date (i.e. date of subscription order of last instalment) – this would be validated against the minimum number of instalments specified by the respective AMC for that scheme
 - There are two optional fields provided for Internal Reference No (of the broker) and for Remarks
4. Once the SIP registration is successful, system will generate a unique SIP Registration Number and display the same for the user. The first instalment (subscription order) of SIP would be generated on the START DATE selected by the MFI which can only be one of the dates specified by the respective scheme of the AMC. Say, for example, an AMC has specified the dates 1, 5, 10, 15, 20 and 25 of any month for a particular scheme, then the user can select the START DATE from the calendar provided, so that it matches with any one of the specified dates. Thus a user registering a SIP for the above scheme on say, 24th of November 2010, would be able to select any of the 5 specified dates given above for any month - **as long as the START DATE mentioned by the user is not more than 60 days from the REGISTRATION DATE of the SIP.** In the above case the user can **select any one of the following dates** as START DATE: Nov 25, 2010; Dec 1, 2010; Dec 5 2010; Dec 10, 2010; Dec 15, 2010; Dec 20, 2010; Dec 25, 2010; January 1, 2011; Jan 5 2011; Jan 10, 2011; Jan 15, 2011; Jan 20, 2011. This condition of START DATE being not later than 60 days from the REGISTRATION DATE would hold true for all frequencies – i.e weekly, quarterly, monthly; semi-annual and annual for all schemes.
5. In case where the date of Registration of the SIP falls on a Specified Date (as given by the AMC) and the user selects the same date as START DATE then the SIP would commence on the Registration Date itself. Thus in the above example where Specified Dates are 1,5,10,15,20,25 and say, the user registers a SIP on November 25. If he selects November 25, 2010 again as the START DATE, then the first order of the SIP would be created on the same date.
6. MFIs ARE ADVISED TO TAKE DUE CARE WHILE ENTERING THE START DATE AS THEY MAY NEED SOME TIME TO GET THE BANK MANDATE OF THE CLIENT REGISTERED WITH THE BANK. IT IS REITERATED THAT IT IS THE MFI'S RESPONSIBILITY TO MAKE THE PAY-IN ON T+1, FOR ALL ORDERS (INCLUDING SIP) GENERATED IN THE SYSTEM.
7. The user will receive a confirmation message which will contain unique SIP Registration number and date and time stamp of SIP registration. The MFI can view the SIP registered in the **MENU OPTION: SIP → SIP Registration Report**. Once the SIP Order is generated on the due date, the Transaction Confirmation Slip can be printed from the Provisional Orders Report as is the case today. For physical mode, the investor will receive Statement of Account from the RTA directly.

8. **MFI will write the unique SIP registration number on the physical documents and deliver the same at any of the RTA /AMC offices as may be intimated from time to time.**
9. Exchange will validate the Subscription order for the SIP instalment on T day evening (in case where the SIP has started on the Registration Date itself) with the RTA and any discrepancy in the transaction details will be informed to the MFI on the same day evening.
10. The Clearing Corporation shall also provide the MFIs with funds obligation for SIP transactions in the Funds Obligation Report that is available today also, at end of day, for all the valid transactions.

T+1 Day activities

11. The Clearing Corporation shall debit the designated clearing bank account of the MFIs for the required funds obligation on T+1 morning for the Subscription order for the SIP instalment (along with the funds obligation for the other normal orders) .
12. In case of shortage if any, the concerned MFI will be provided an opportunity to identify transactions and provide details of the transactions for which payments have been received and transactions for which payment have not been received.
13. The funds collected from the bank account of the MFI shall be compared with the details provided by the MFI on the payment received status as per above. If the funds collected from the bank account of the MFI covers the details of the payments received as provided by the MFI, the same shall be further processed. Wherever the funds collected from the bank account falls short of the amount indicated in the details provided by the MFI, the details shall be considered defective and shall not be processed further. In such cases, the funds collected, if any, shall be returned to the designated bank account of the MFI.
14. The Exchange / Clearing Corporation shall take appropriate action including penalty on MFIs who fail to fulfil their funds obligation as required.
15. The Exchange will notify RTA for all such defective transactions and rejections due to non payment of funds. The RTA will reverse such transactions for respective MFIs and transactions for other MFIs who have fulfilled their funds obligations will be processed by the RTA. The RTA will intimate the allotment details for the accepted transactions including folio numbers.

16. Allotment information including folio numbers (if applicable) shall be provided to the MFIs so that they can provide allotment details to the investor.
17. RTA will directly send the SOA to the investor for the units due to him, since the selected mode is PHYSICAL.

SIP Registration - Demat Mode

T Day activities

1. A client (investor) who approaches MFI to register SIP in Demat mode has to provide their Demat account details along with PAN details to the MFI.
2. MFI shall enter the SIP Registration on the StAR MF front-end system with the option of 'Demat' settlement. SIP Registration can be entered on the StAR MF system between 9:00 a.m. and 3:00 p.m. For SIP Registration the same would be done by going to **Menu Option: SIP → SIP Registration → Selecting the AMC and Scheme Name**. Along with this information the MFI needs to provide the following information for SIP:
 - Frequency of SIP (Weekly, Monthly, Quarterly, Semi-annual and Annual as per applicable options decided by AMC for the respective scheme)
 - Investment Amount (per instalment in Rs.)
 - Start Date (i.e. date of subscription order of first instalment)
 - End Date (i.e. date of subscription order of last instalment) – this would be validated against the minimum number of instalments specified by the respective AMC for that scheme
 - There are two optional fields provided for Internal Reference No (of the broker) and for Remarks
3. Once the SIP registration is completed system will generate a unique Registration Number for the SIP registered. The first instalment (subscription order) of SIP would be on the START DATE selected by the MFI which can only be one of the dates specified by the respective scheme of the AMC. Say, for example, an AMC has specified the dates 1, 5, 10, 15, 20 and 25 of any month for a particular scheme, then the user can select the START DATE from the calendar provided which matches with any one of the specified dates. Thus a user registering a SIP for that scheme on say, 24th of November 2010, would be able to select any of the 5 specified dates given above for any month - **as long as the START DATE mentioned by the user is not more than 60 days from the REGISTRATION DATE of the SIP**. In the above case the user can **select any one of the following dates** as START DATE: Nov 25, 2010; Dec 1, 2010; Dec 5 2010; Dec 10, 2010; Dec 15, 2010; Dec 20, 2010; Dec 25, 2010; January 1, 2011;

Jan 5 2011; Jan 10, 2011; Jan 15, 2011; Jan 20, 2011. This condition of START DATE being no later than 60 days from the REGISTRATION DATE would hold true for all frequencies – i.e weekly, quarterly, monthly; semi-annual and annual.

4. In case where the date of Registration of the SIP falls on a Specified Date (as given by the AMC) and the user selects the same date as START DATE then the SIP would commence on the Registration Date itself. Thus in the above example where Specified Dates are 1,5,10,15,20,25 and the user registers a SIP on November 25, while selecting November 25, 2010 again as the START DATE, then the first order of the SIP would be created on the same date.
5. MFIs ARE ADVISED TO TAKE DUE CARE WHILE ENTERING THE START DATE AS THEY MAY NEED SOME TIME TO GET THE BANK MANDATE OF THE CLIENT REGISTERED WITH THE BANK. IT IS REITERATED THAT IT IS THE MFI'S RESPONSIBILITY TO MAKE THE PAY-IN FOR ALL ORDERS (INCLUDING SIP) ON T+1 i.e. THE NEXT WORKING DATE AFTER THE FIRST SIP ORDER (AND ALL SUBSEQUENT ORDERS) IS GENERATED IN THE SYSTEM.
6. The user will receive a confirmation message which will contain unique SIP Registration number and date and time stamp of SIP registration. The MFI can view the SIP registered in the **Menu Option: SIP → SIP Registration Report**. Once the SIP Order is generated on the due date, the Transaction Confirmation Slip can be printed from the Provisional Orders Report as is the case today.
7. Exchange will validate the Subscription order for the SIP instalment on T day evening with the RTA and any discrepancy in the transaction details will be informed to the MFI on the same day evening.
8. The Clearing Corporation shall also provide the MFIs with funds obligation report end of day for all the valid transactions.

T+1 Day activities

9. The Clearing Corporation of the Exchange shall debit the designated clearing bank account of the MFIs for the required funds obligation on T+1 morning for the Subscription order for the SIP instalment, along with the other normal orders.
10. In case of shortage if any, the concerned MFI will be provided an opportunity to identify transactions and provide details of the transactions for which payments have been received and transactions for which payment have not been received.

11. The funds collected from the bank account of the MFI shall be compared with the details provided by the MFI on the payment received status as per above. If the funds collected from the bank account of the MFI covers the details of the payments received as provided by the MFI, the same shall be further processed. Wherever the funds collected from the bank account falls short of the amount indicated in the details provided by the MFI, the details shall be considered defective and shall not be further processed. In such cases, the funds collected, if any, shall be returned to the designated bank account of the MFI.
12. The Exchange / Clearing Corporation shall take appropriate action including penalty on MFIs who fail to fulfil their funds obligation as required.
13. The Exchange will notify RTA for all such defective transactions and rejections due to non payment of funds. The RTA will reverse such transactions for respective MFIs and transactions for other MFIs who have fulfilled their funds obligations will be processed by the RTA. The RTA will intimate the allotment details for the accepted transactions.
14. Allotment information shall be provided to the MFIs so that they can provide allotment details to the investor. In the case of demat transaction, sms intimation and demat statement given by Depository Participant of the investor shall be considered as fulfilling the requirement of Statement of Account.

RULES FOR SUBSCRIPTION ORDER FOR SUBSEQUENT SIP INSTALMENTS APPLICABLE TO BOTH MODES PHYSICAL AND DEMAT (SECOND INSTALMENT ONWARDS)

The following rules will be applicable for each subsequent SIP instalment (second instalment onwards):

1. BSE StAR MF will generate subscription order for SIP instalment on the day of the SIP transaction becoming due as per the Frequency of SIP, START DATE and Investment Amount chosen by the MFI on the SIP registration. **In case the day a SIP instalment becomes due, is not a business day (holiday, weekend, etc.) the subscription order for SIP instalment will be generated and become due on the next business day.**
2. The system will generate unique confirmation number for each of the subsequent subscription order for SIP instalments. The investor will receive a confirmation slip for the subsequent subscription order for SIP instalment.
3. The clearing and settlement process for Subscription order for subsequent SIP instalment will be same as the clearing and settlement process for Subscription Order except that the SIP Subscription order is generated automatically by StAR MF instead of the MFI being required to enter the order.
4. StAR MF will stop generating the subscription order for SIP instalments once the SIP period is completed as provided on the SIP registration.
5. **Once a SIP is registered it cannot be modified and the MFI will have to cancel the SIP and start a fresh one if any of the parameters are incorrect or need to be changed. It may be noted that a SIP cancellation will be effective from the EOD on the day it has been recorded in the system. There is no limit on the number of SIPs that can be registered by an MFI or by a single client.**

CERTAIN ADDITIONAL FUNCTIONALITIES / PROCESSES ARE GIVEN BELOW:

- 1) Once a SIP is registered, the user can CANCEL the SIP if the client does not want to continue the same for whatever reason. The user has to go to the **MENU OPTION → SIP → SIP CANCELLATION** where the user would need to select the particular SIP for cancellation by choosing any of a variety of filters provided. Once it is cancelled, it would be reflected in the SIP CANCELLATION REPORT that is available under the **MENU OPTION → SIP → SIP CANCELLATION REPORT**. As far as cancellation of a SIP order on a particular day is concerned, since it is the same as a normal order, it can be cancelled in the same manner as normal orders today.

- 2) At any point of time the user can also query the system for getting information on the SIP instalments due for all registered SIPs by going to the **MENU OPTION → SIP → SIP INSTALMENT DUE REPORT** and selecting various filters provided.
