Bombay Stock Exchange Limited

BSE

The edge is efficiency

BSE StAR MF

A Primer

Quick Reference User Manual

[December 2010]

BSE StAR MF

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1. About BSE:

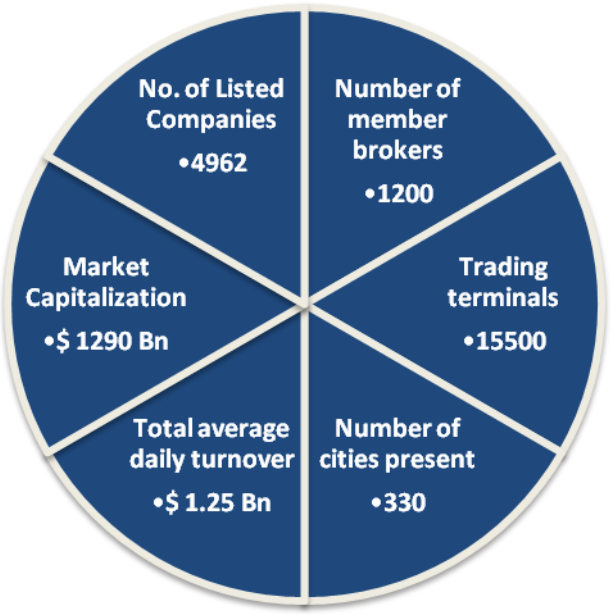
BSE – Driving the Indian capital market:

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 330 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, Direct Market Access, Securities Lending & Borrowing, Automated Trading, Exchange Traded Funds (ETFs) and now Mutual Funds.

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.

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 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 newly launched Mutual Fund platform BSE StAR MF, is one of our key initiatives in this effort.

3. Benefits for the stakeholders:

Investors

1. Reduction in paper work: W.r.t. application forms, cheques, collection statements. In the existing framework however, Demat account holders benefit from much shorter delivery times than Physical account holders as Demat obviates significant amount of paper movement.

2. Faster Execution: Allotment by way of Demat credit. Hence investor can get demat units on the next working day following their date of application as well as redemption proceeds in two days.

3. Convenience: Existing investors can invest through the same channel 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 member teams.

Reiterating our commitment to leverage our technology and process leadership, the BSE launched the BSE StAR MF™ platform on December 4, 2009, bringing an added convenience to the Mutual fund industry, the broking community and investors.

4. StAR MF platform:

BSE StAR MF™ is a browser-based fully automated online order collection system.

The platform is feature-rich and highly flexible with:

- Browser-based front-end
- Feature-rich and highly flexible platform
- Architecture provides scalable operation and flexible deployment options
- Link-ups with both depositories - CDSL and NSDL.
- Facility for one-time registration of client
- Facility of Branch, Dealer creation & Client level limit allocation.
- Detailed & easy-to-use information on various schemes on offer
- Relevant report management features for BO and MIS
- SIP facility

5. Application mode:

BSE StAR MF is configured to accept and process, applications for Mutual Fund units in both Physical and Demat form.

6. Eligibility for participation:

All Members of BSE who are ARN (AMFI Registration No.) holders are eligible to participate on this platform as Mutual Fund Intermediaries (MFIs). This requires certain formalities to be completed and the interested Member may please contact their respective Relationship Manager.

BSE now conducts NISM certification examination thru 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 examination details.

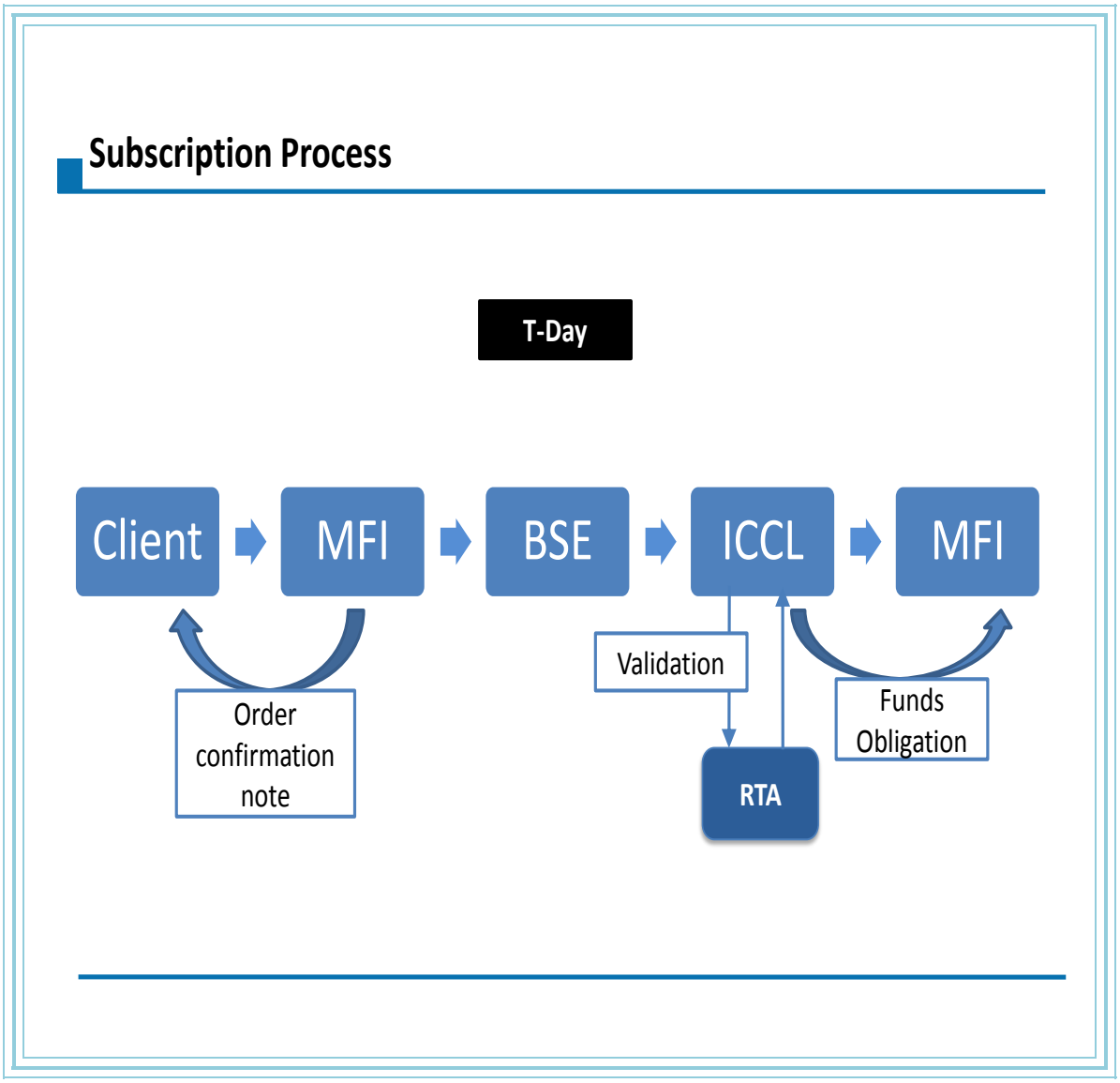
7. Advantages of platform vis-à-vis physical distribution mode:

- 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

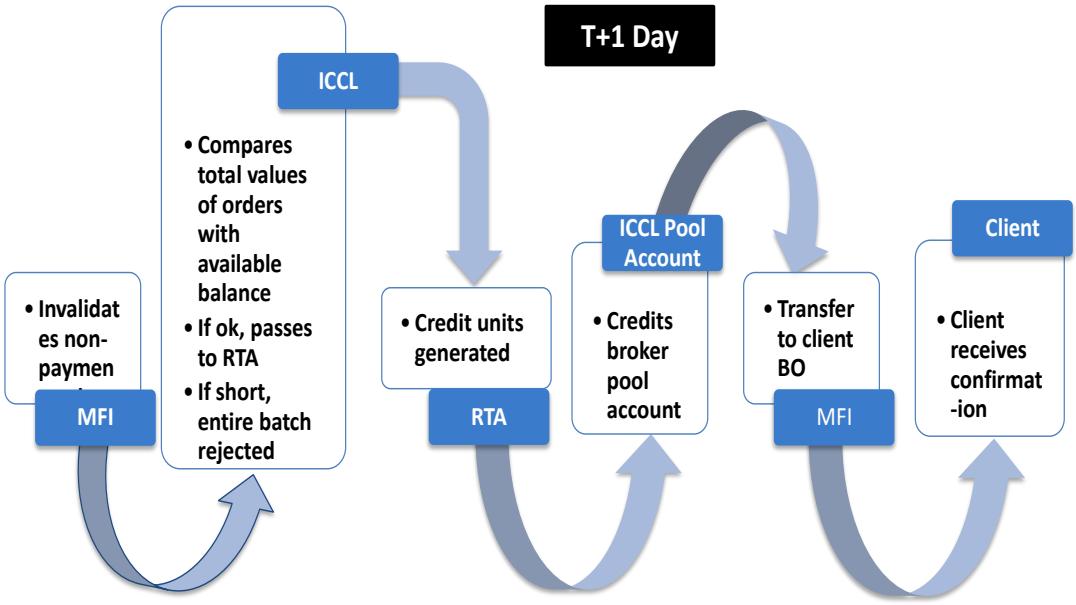
8. Broad structure of the StAR MF platform:

- 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 not currently brokers' clients need to open an a/c with broker & a Demat a/c with a Depository Participant
- Member brokers with ARN & NISM certification can extend the transaction in Mutual funds through BSE StAR MF after fulfilling few formalities with BSE and respective AMCs
- Existing NAV norms (cut-off at 3pm) to apply
- 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

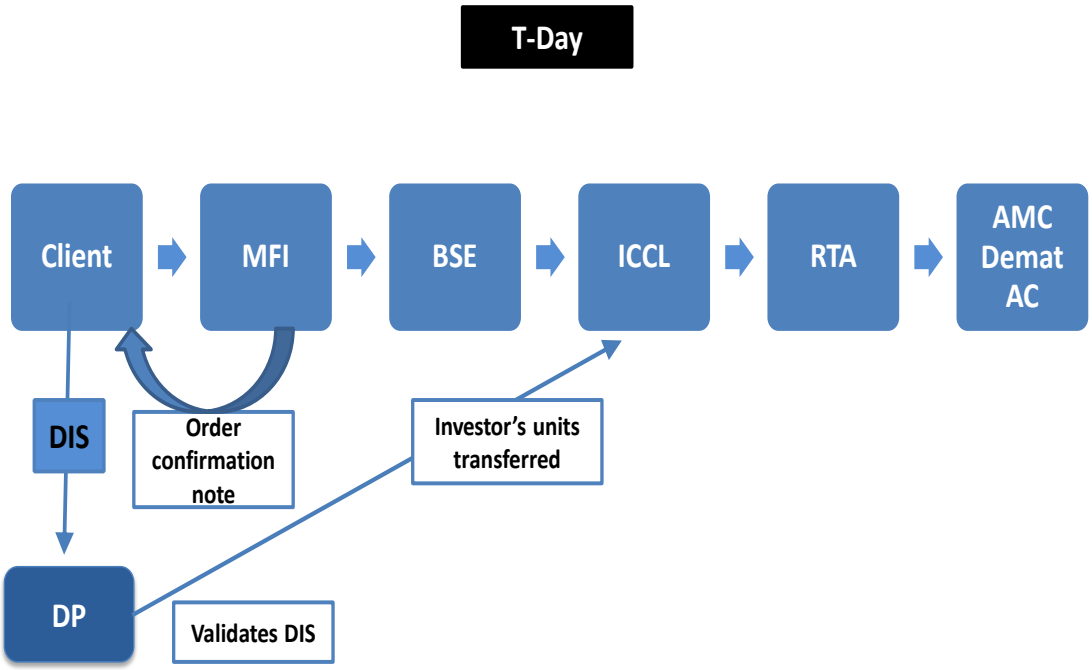
9. Transaction Process Flow



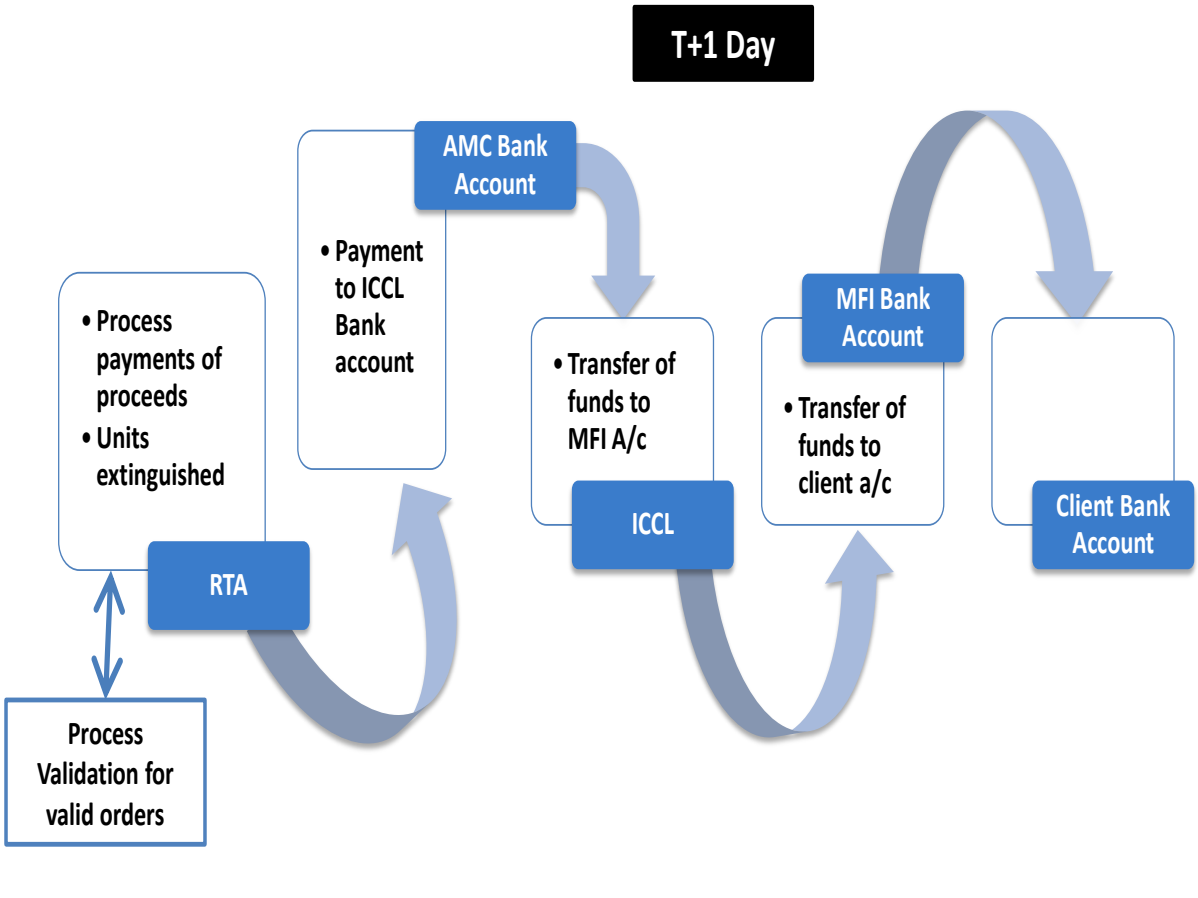
Subscription Process Contd..



Redemption Process



Redemption Process Contd..



10. What are the main features of BSE StAR MF?

The StAR MF platform allows:

1. Creation of multiple Branches and multiple Dealers (IDs)

2. Options for setting Transaction limits at Dealer level, Branch level and Client level

3. Bulk upload facility to Register Clients, Mapping Client With Dealers/Branches, Client Payment Rejection, Order Entry (including SIP orders), updating Branches/Dealers/Clients balances.

5. User-Friendly Order Entry with option of viewing schemes AMC wise, NFO/Open Market wise, SIP schemes, Scheme Type wise, Institutional /Retail wise.

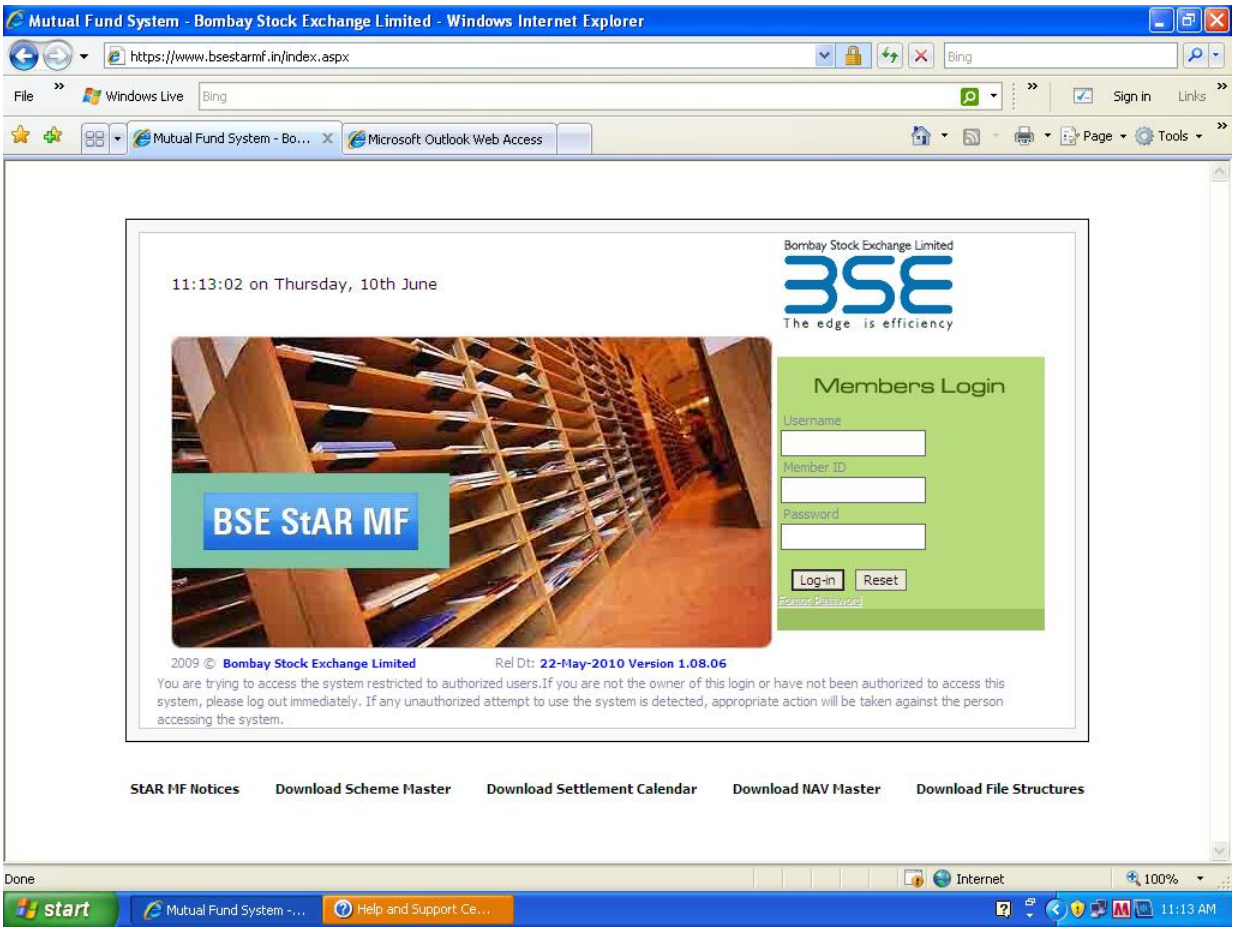
Report Generation facilities

6. Generation of files for enabling Back-office processes.

7. Offers the investors friendly and popular SIP (Systematic Investment Plan) facility.

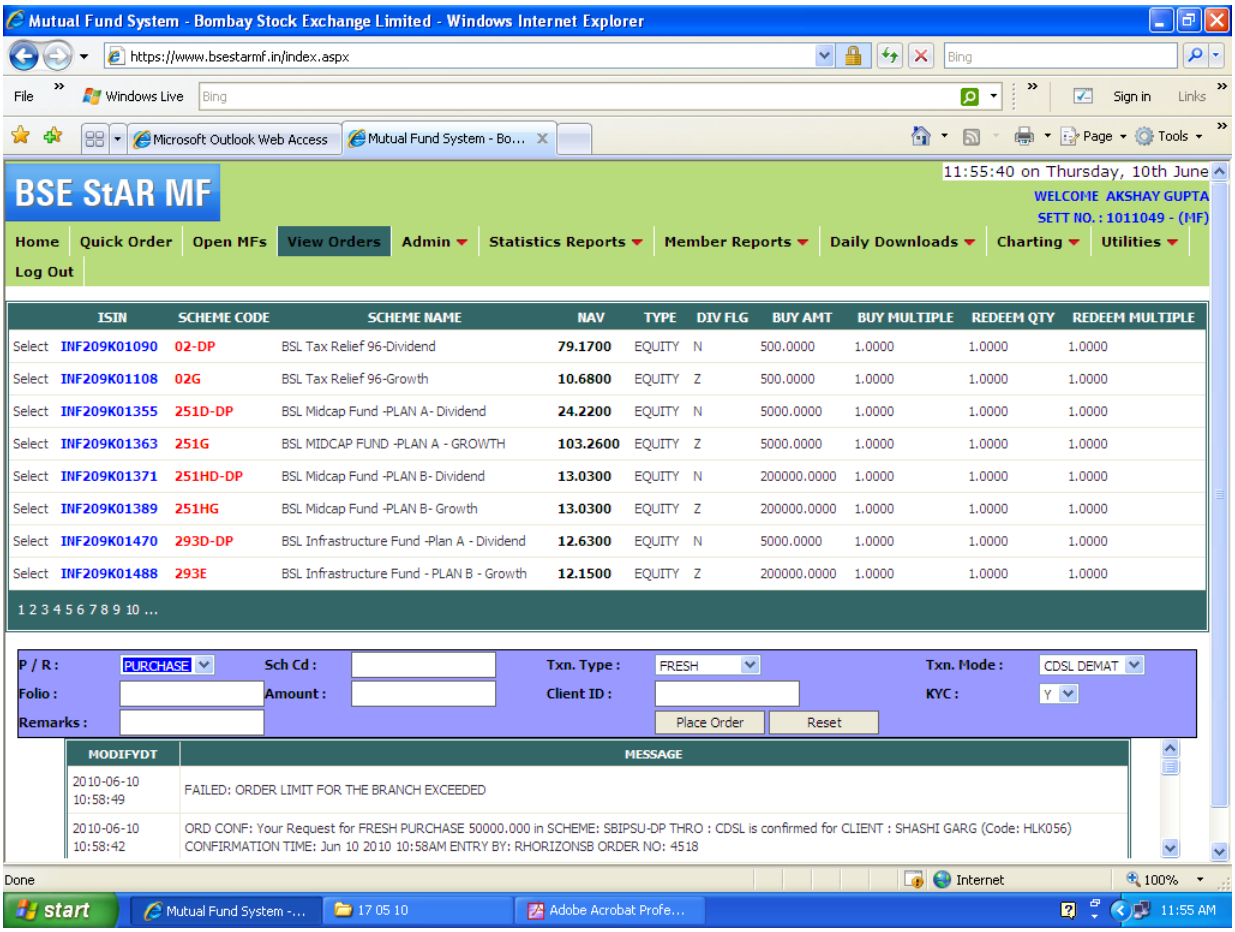
11. Following are few and easy steps to get started and get going on the BSE StAR MF platform!

1) To access the StAR MF system, type https://bsestarmf.in in the browser window.



1) Enter all details as provided by the BSE – *Username, Member ID, Password*

2) Once the credentials are verified, the user will be taken to the main screen of the system



The above screen displays the facility provided by the StAR MF to the Member for Quick Order entry

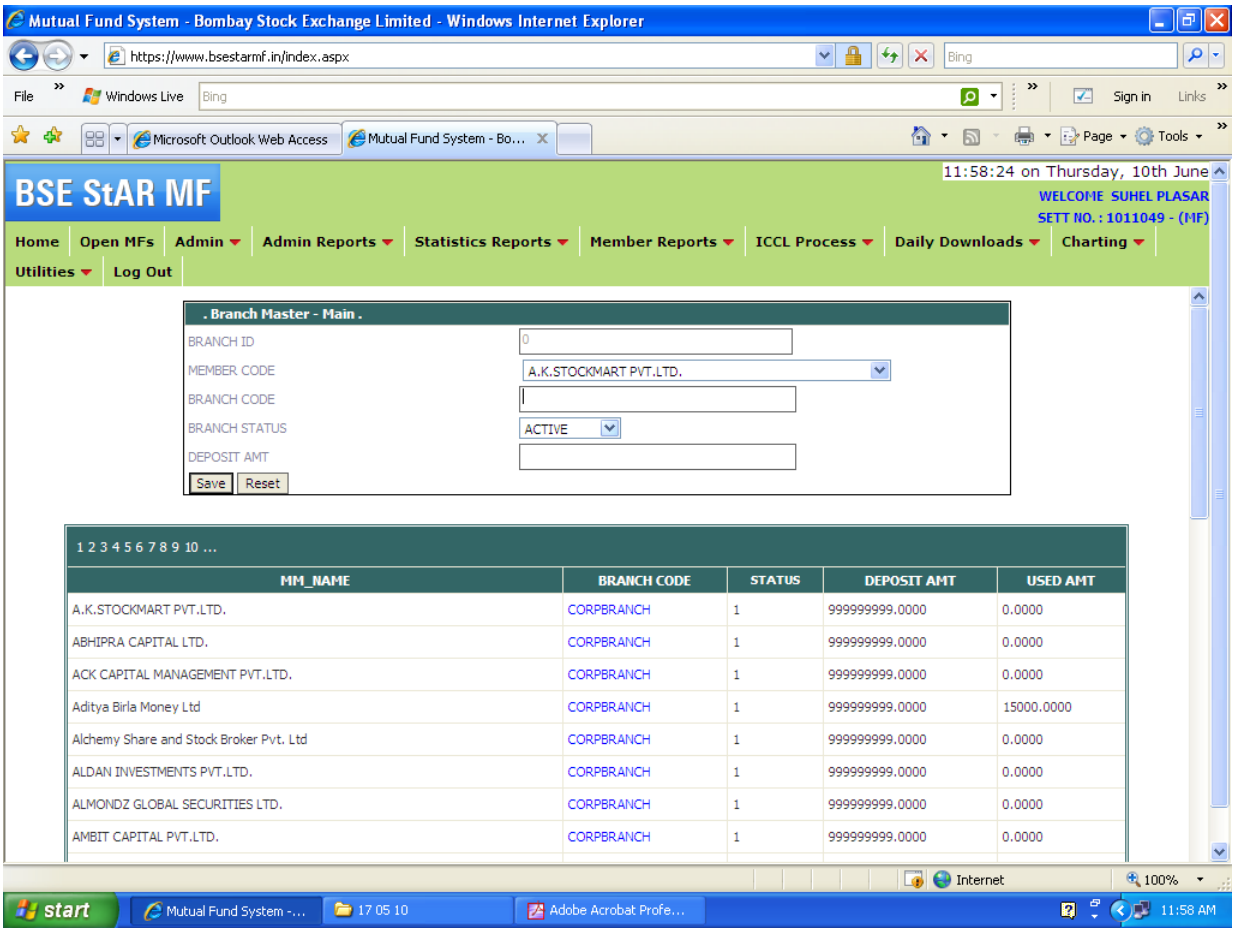
3) The next step is **Branch Registration**:
Access the menus as follows:

Admin → Member Masters → Member Branches

Fill in the details as required in the respective fields.

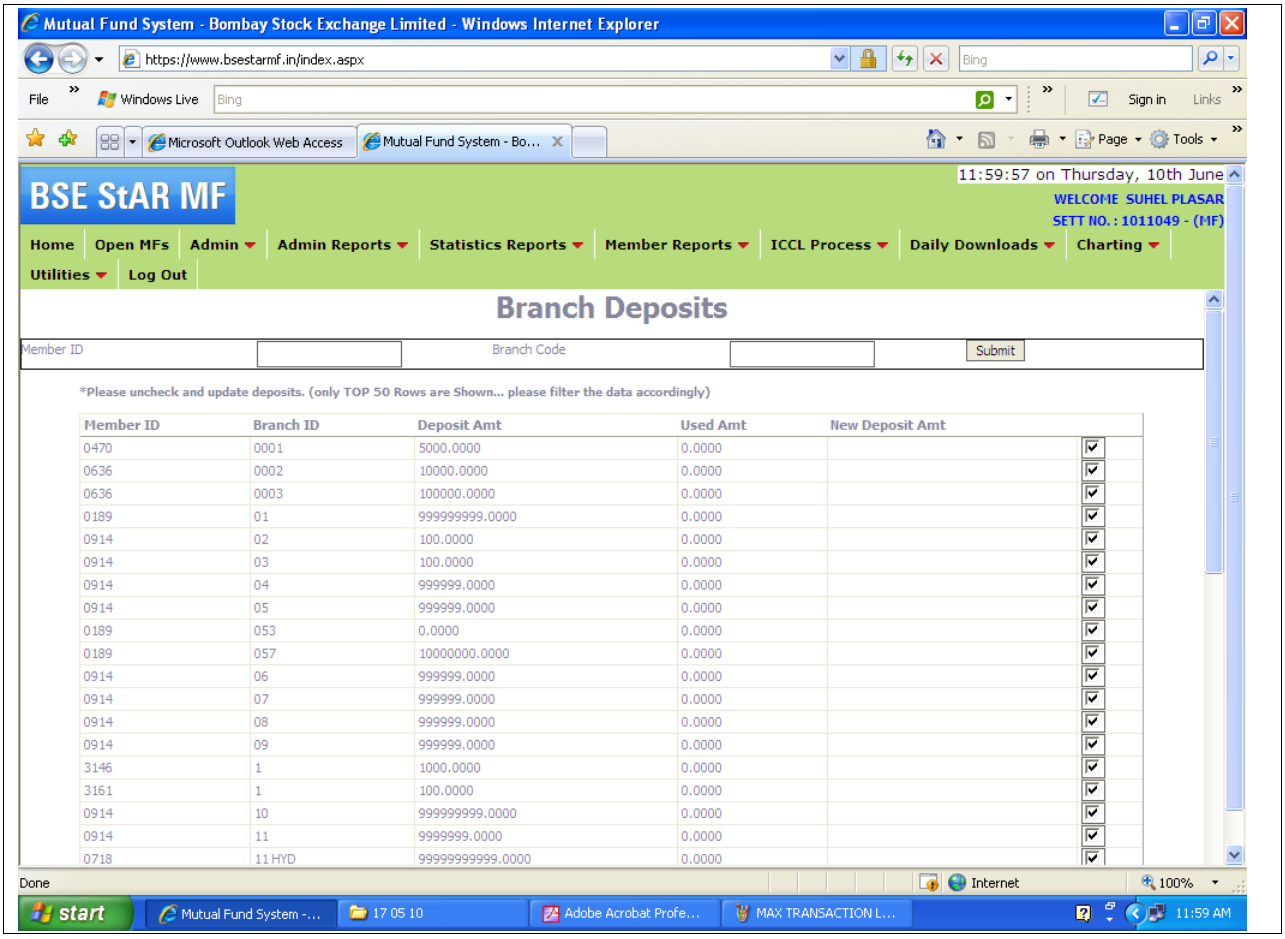
Note:

Deposit Amt is the **Max Transaction limit** for the particular Branch.



Alternate method for setting transaction limits: Branch deposits can also be set through

Admin→Limits→Branch Deposits



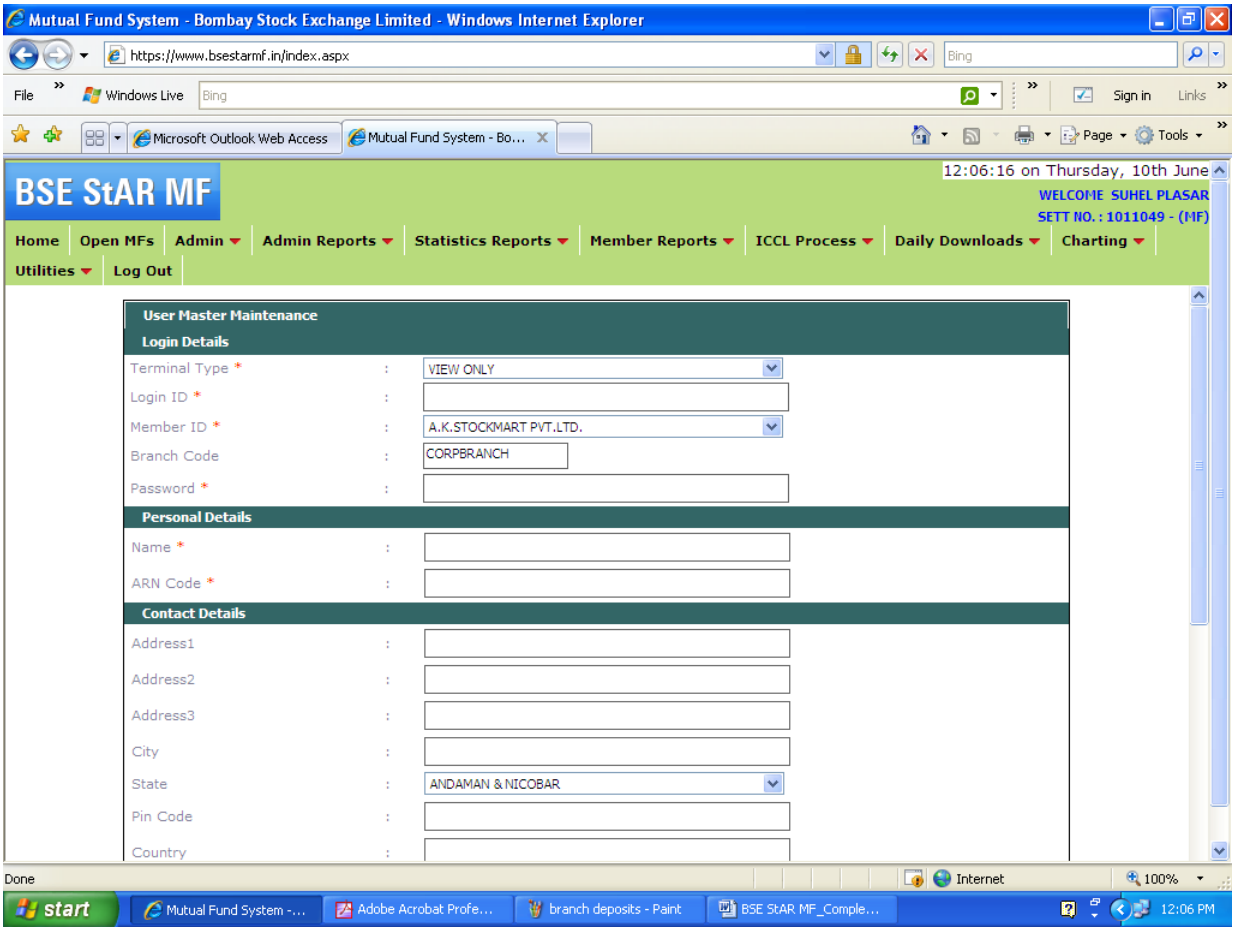
1. Uncheck ☑ the Branch for whom the *Deposit* (Transaction Limit) has to be set
2. Set the *New Deposit Amount* (Transaction Limit) for the branch.

4) The next step is **User Registration**:

Access the menus as follows:

Admin → User Master

Fill in the details as required in the respective fields.



Note:

Terminal Type: means *Type* of the User to Be Created

- 'BO Admin' is the terminal type which enables the User to operate only for Back Office purposes.

Branch ID : means the *Branch* to which the User has to be mapped to.

5) The next step is **Client Registration**:

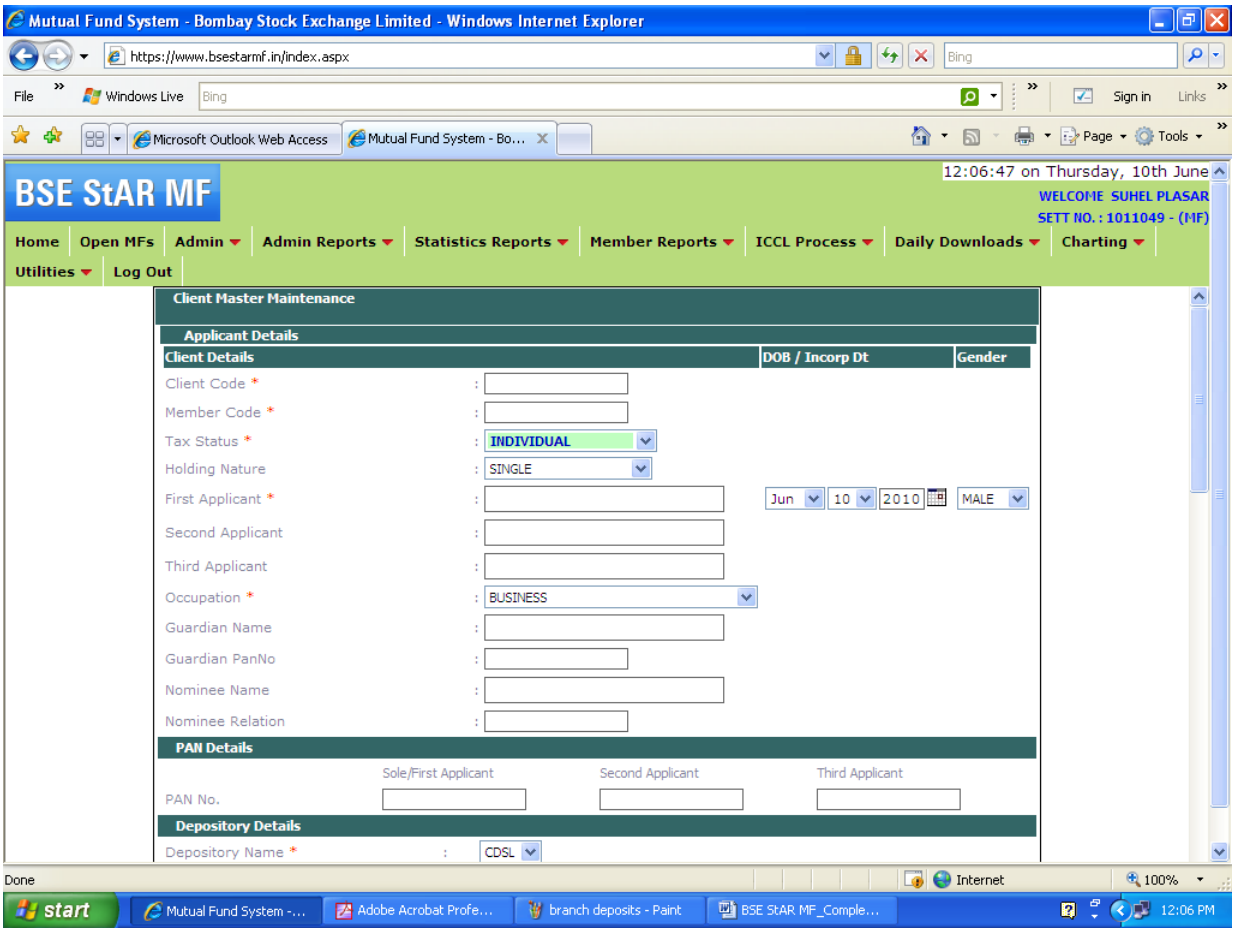
Note:

If the terminal type is selected as 'Dealer Admin', then the User can place orders for Client and also for all the Dealers registered under him.

Access the menus as follows:

Admin → Client Master

Fill in the details as required in the respective fields.



Note:

- Client Code: means *UCC* of the client
- *DP Details* should be entered with the **exact same details** as it is in the DP account
- For Companies DOB is the Date of Incorporation
- If the Account Holder is a minor then guardian is mandatory
- If Account is a joint Account then PAN No of then Second PAN No is also Mandatory

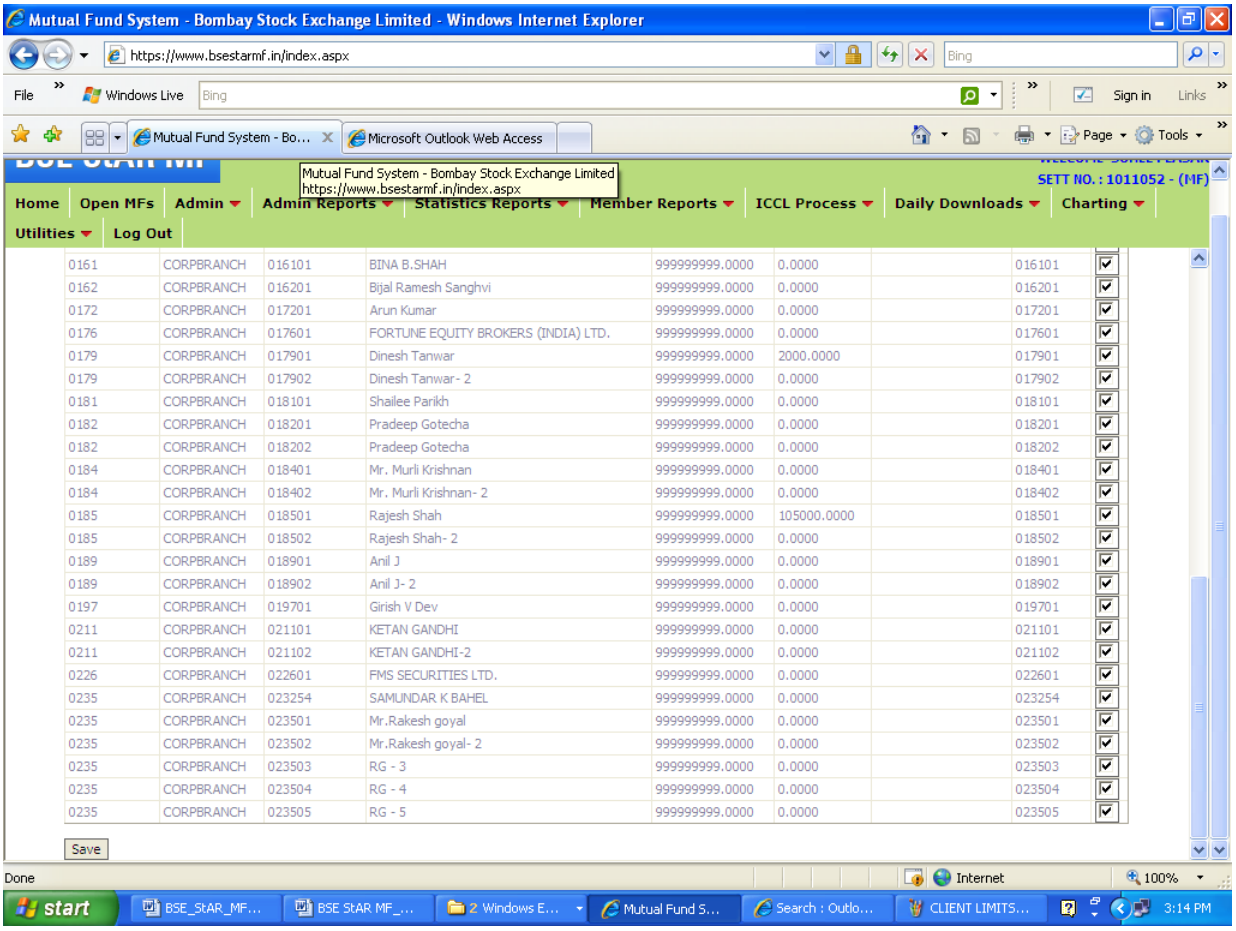
- In case of NRI clients, the filling in Foreign Address is Mandatory

6) The next step is **Setting Transaction limits at User level**

Access the menus as follows:

Admin →Limits→ Dealer Deposits

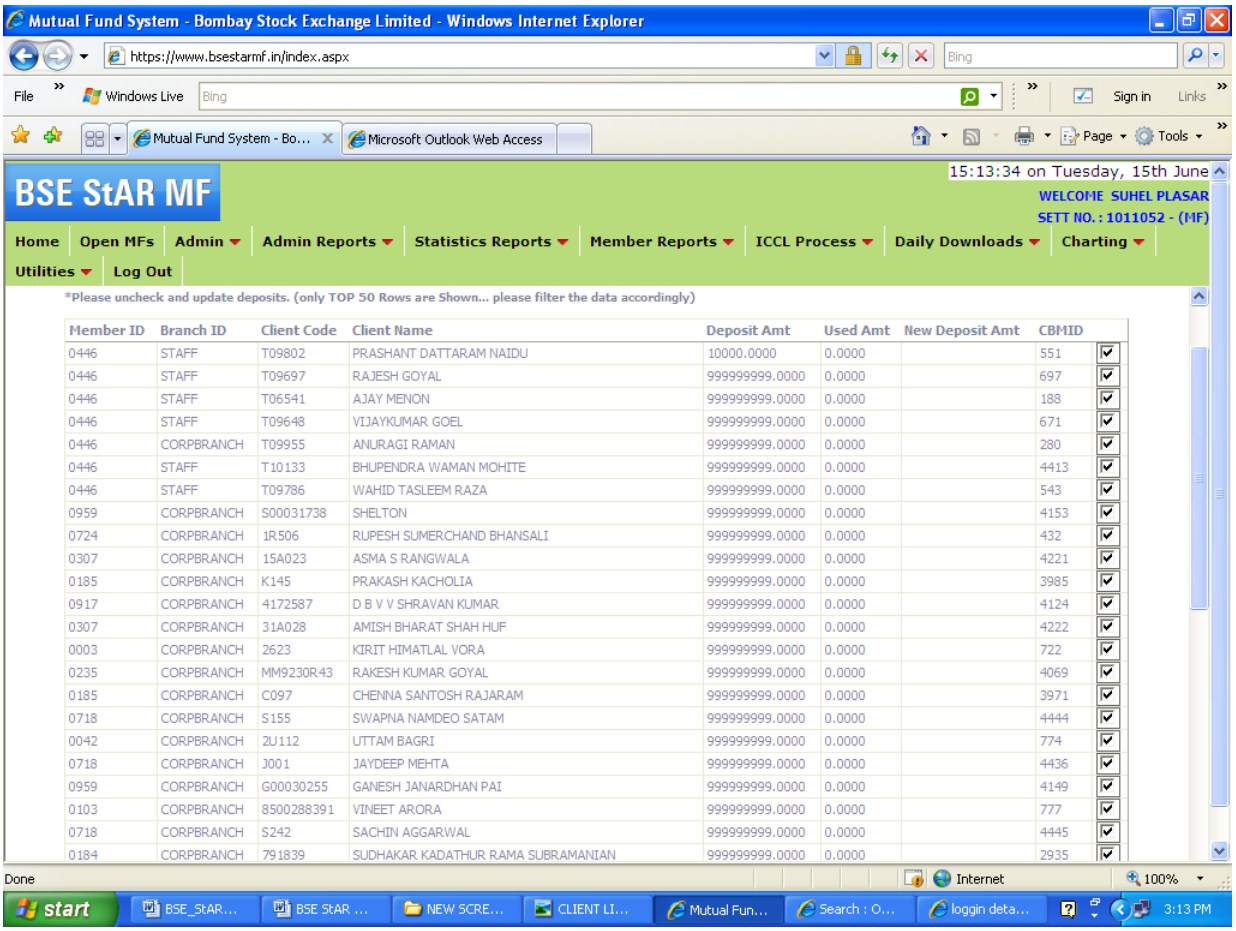
3. Uncheck the Dealer for whom the *Deposit* (Transaction Limit) has to be set
4. Set the *New Deposit Amount* (Transaction Limit) for the dealer



0161	CORPBRANCH	016101	BINA B.SHAH	999999999.0000	0.0000		016101
0162	CORPBRANCH	016201	Bijal Ramesh Sanghvi	999999999.0000	0.0000		016201
0172	CORPBRANCH	017201	Arun Kumar	999999999.0000	0.0000		017201
0176	CORPBRANCH	017601	FORTUNE EQUITY BROKERS (INDIA) LTD.	999999999.0000	0.0000		017601
0179	CORPBRANCH	017901	Dinesh Tanwar	999999999.0000	2000.0000		017901
0179	CORPBRANCH	017902	Dinesh Tanwar- 2	999999999.0000	0.0000		017902
0181	CORPBRANCH	018101	Shailee Parikh	999999999.0000	0.0000		018101
0182	CORPBRANCH	018201	Pradeep Gotecha	999999999.0000	0.0000		018201
0182	CORPBRANCH	018202	Pradeep Gotecha	999999999.0000	0.0000		018202
0184	CORPBRANCH	018401	Mr. Murli Krishnan	999999999.0000	0.0000		018401
0184	CORPBRANCH	018402	Mr. Murli Krishnan- 2	999999999.0000	0.0000		018402
0185	CORPBRANCH	018501	Rajesh Shah	999999999.0000	105000.0000		018501
0185	CORPBRANCH	018502	Rajesh Shah- 2	999999999.0000	0.0000		018502
0189	CORPBRANCH	018901	Anil J	999999999.0000	0.0000		018901
0189	CORPBRANCH	018902	Anil J- 2	999999999.0000	0.0000		018902
0197	CORPBRANCH	019701	Girish V Dev	999999999.0000	0.0000		019701
0211	CORPBRANCH	021101	KETAN GANDHI	999999999.0000	0.0000		021101
0211	CORPBRANCH	021102	KETAN GANDHI-2	999999999.0000	0.0000		021102
0226	CORPBRANCH	022601	FMS SECURITIES LTD.	999999999.0000	0.0000		022601
0235	CORPBRANCH	023254	SAMUNDAR K BAHEL	999999999.0000	0.0000		023254
0235	CORPBRANCH	023501	Mr.Rakesh goyal	999999999.0000	0.0000		023501
0235	CORPBRANCH	023502	Mr.Rakesh goyal- 2	999999999.0000	0.0000		023502
0235	CORPBRANCH	023503	RG - 3	999999999.0000	0.0000		023503
0235	CORPBRANCH	023504	RG - 4	999999999.0000	0.0000		023504
0235	CORPBRANCH	023505	RG - 5	999999999.0000	0.0000		023505

7) Next step is setting the deposits at the **Client level**.

Access the menu as follows **Admin→Limits→Client Deposits**



1) Uncheck ☑ the Client for whom the *Deposit* (Transaction Limit) has to be set
2) Set the *New Deposit Amount* (Transaction Limit)

The above feature is a Client level RMS feature before placing orders.

Note: All the steps defined above are a one-time activity, unless any update has to be made for any of the entries

Now that the Branches, Users and Clients are created and Transaction limits have been set for them, let us proceed to how Order Entry is done!

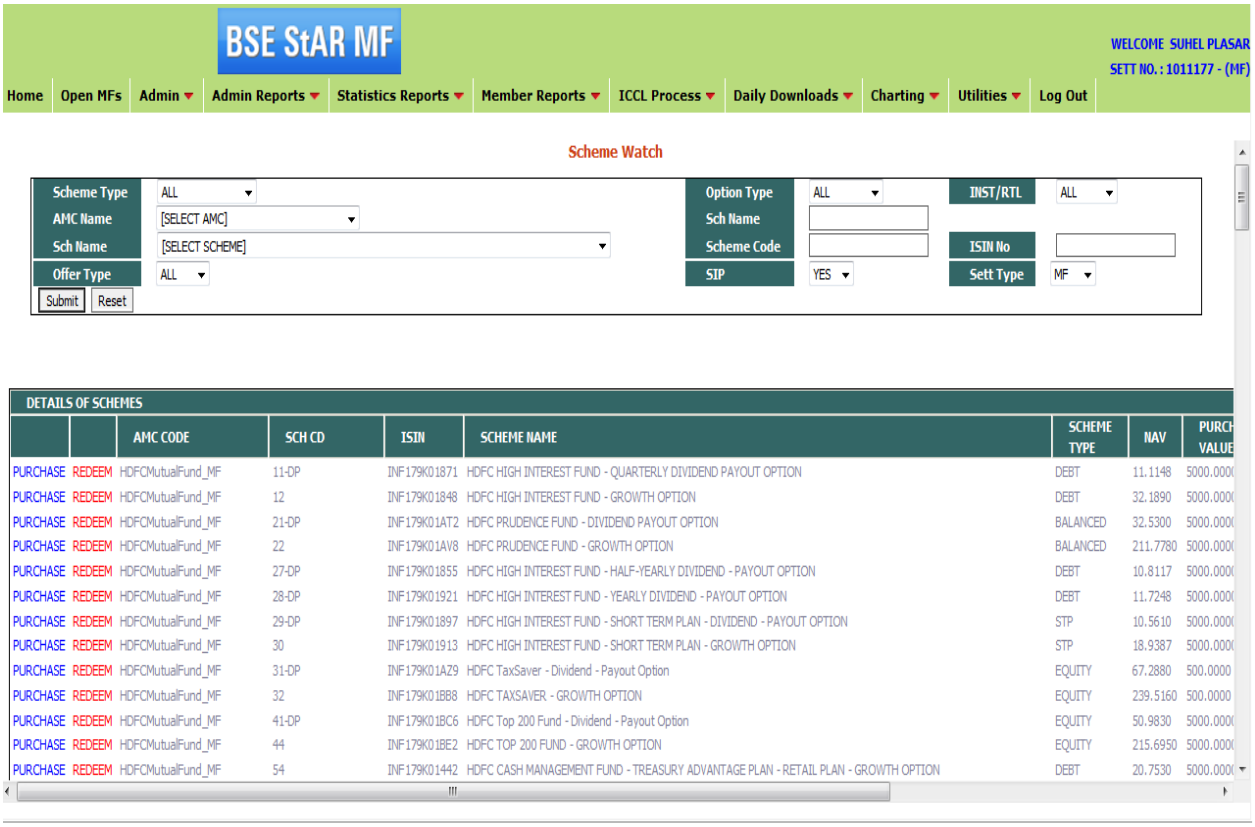
8) The BSE StAR MF platform allows both *Quick order entry* and *Normal order entry.*

Quick order entry:

- This is for Users who already know the scheme codes and the other parameters regarding the scheme.
- This can be done directly from the *Home Screen* by clicking on *Select* in the specific scheme row and entering all required details.

Normal order entry:

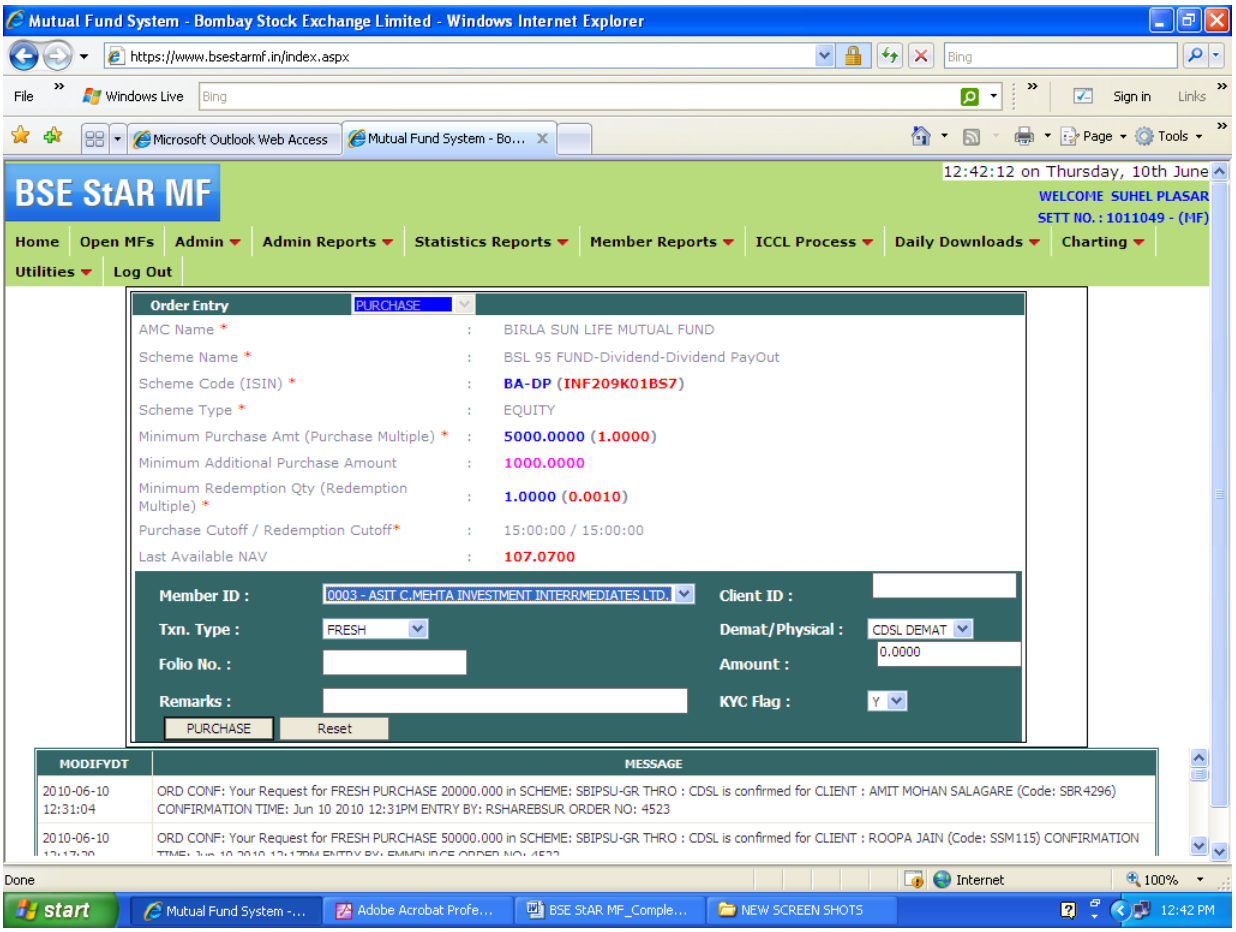
- Click on the menu bar **Open MFs.**



- Select the scheme in which the order has to be placed.
- You can select schemes AMC wise, NFO/Open Market wise, SIP schemes, Scheme Type wise, Institutional /Retail wise.
- Click on *Purchase* or *Redeem* as is the case.
- Fill in all the required details

Note:

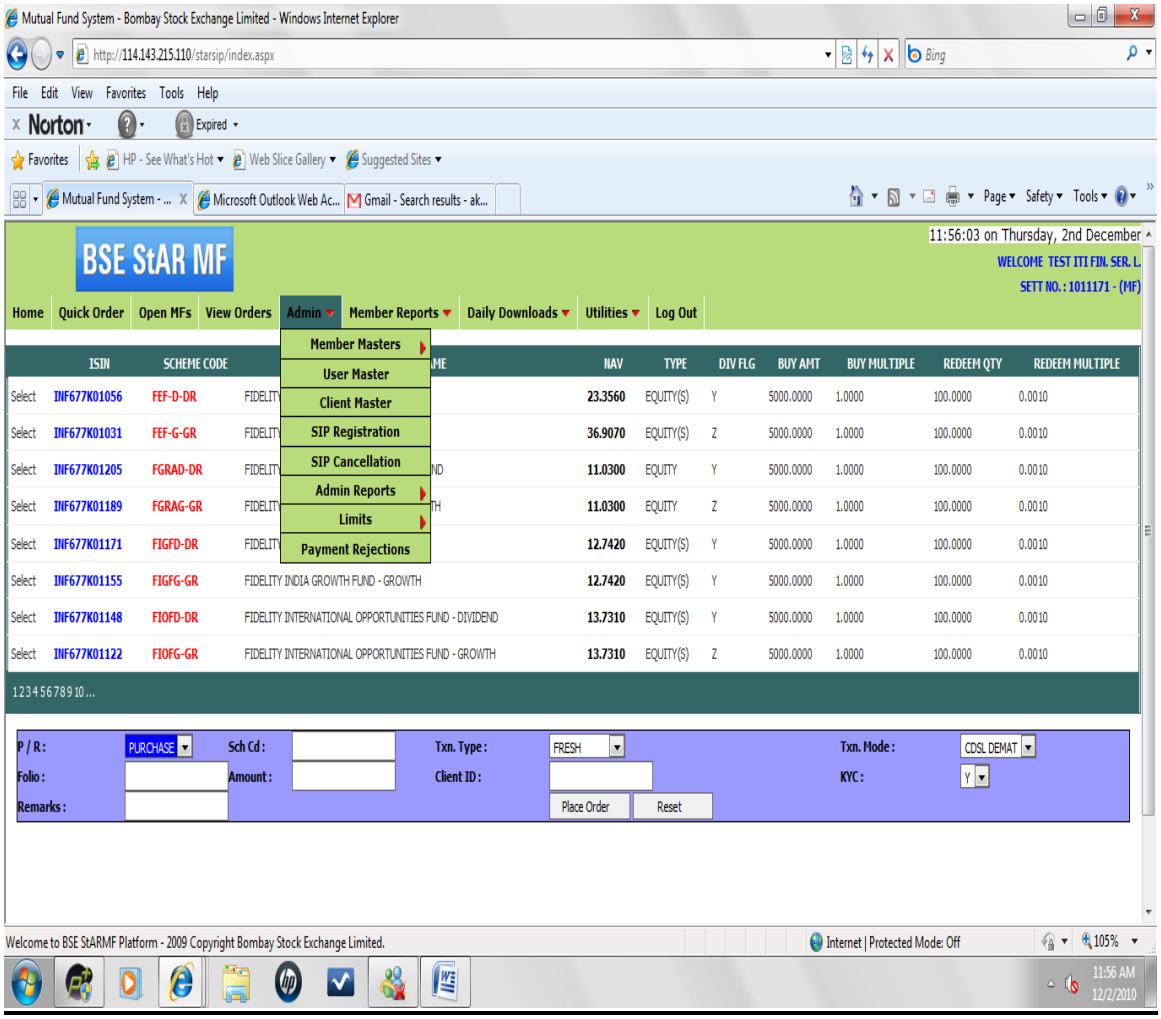
- *Purchase* is always allowed ONLY in terms of amount (Rs.)
- *Redemption* is allowed ONLY in terms of quantity (no. of units).



- Once if the order is submitted the order status message will be displayed below with all relevant details captured.

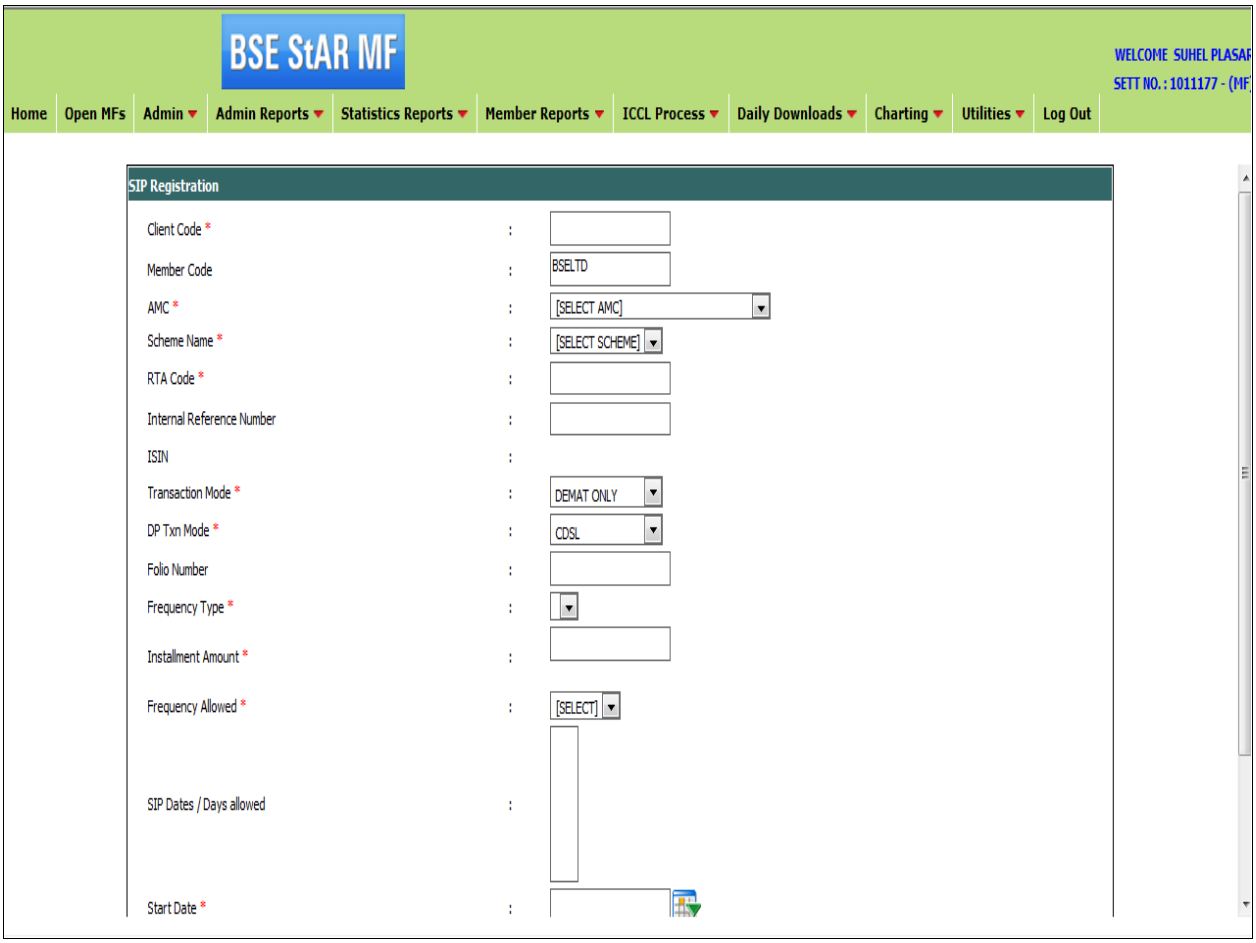
9) You can start **SIP** through BSE StAR MF platform:

- Go to Admin
- Select SIP Registration



SIP Registration continued…

- After Selecting SIP Registration you will see the details as shown in the screen shot below.
- Fill in the Registration Form

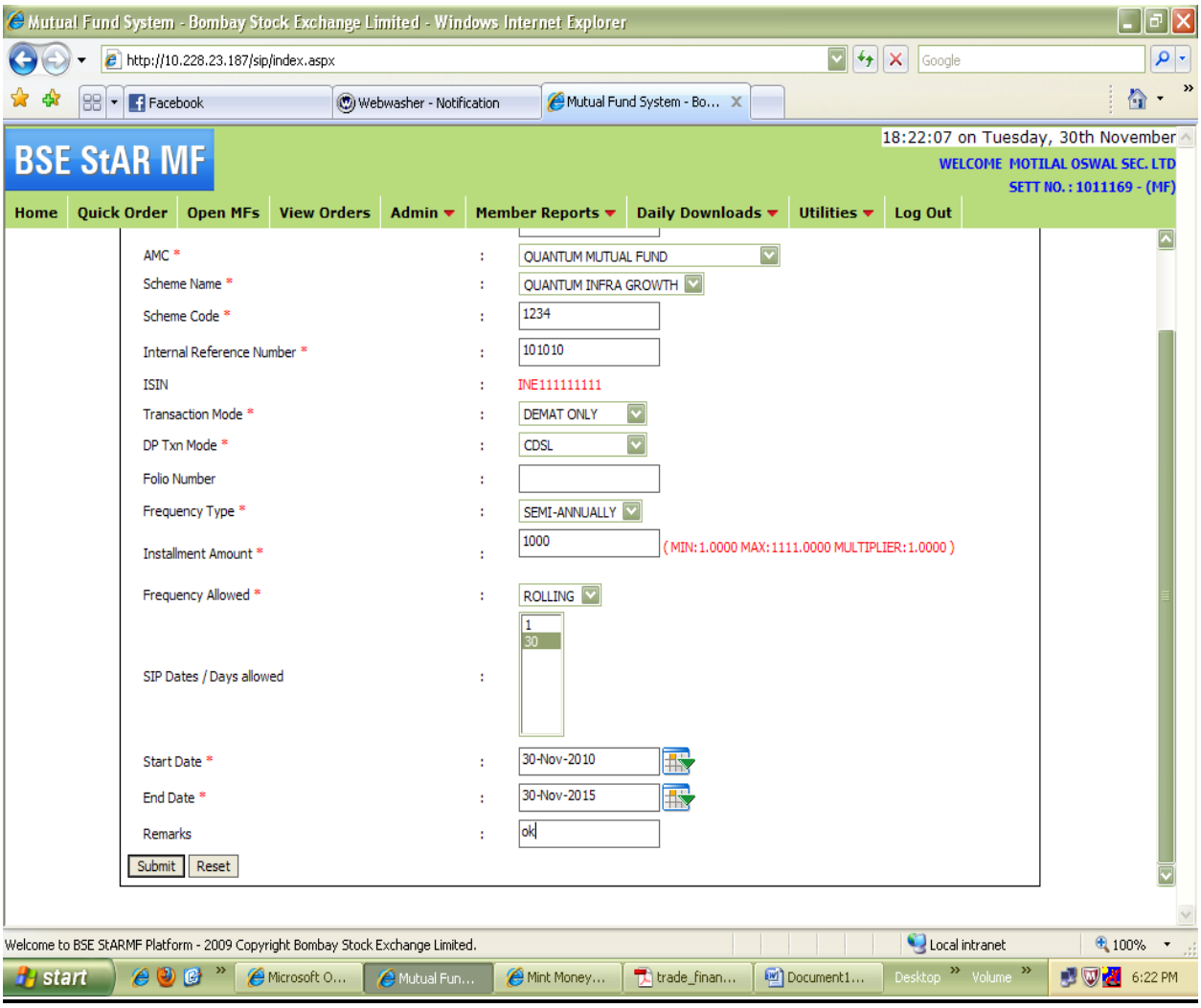


Note:

- **Internal Reference Number** is a non-mandatory field. This field enables user to assign unique number for each SIP Registration.
- **Start Date** which is a mandatory field is the date for the first installment of SIP.
- The **maximum gap** between **SIP registration date** and **Start date** cannot be more than 60 days.

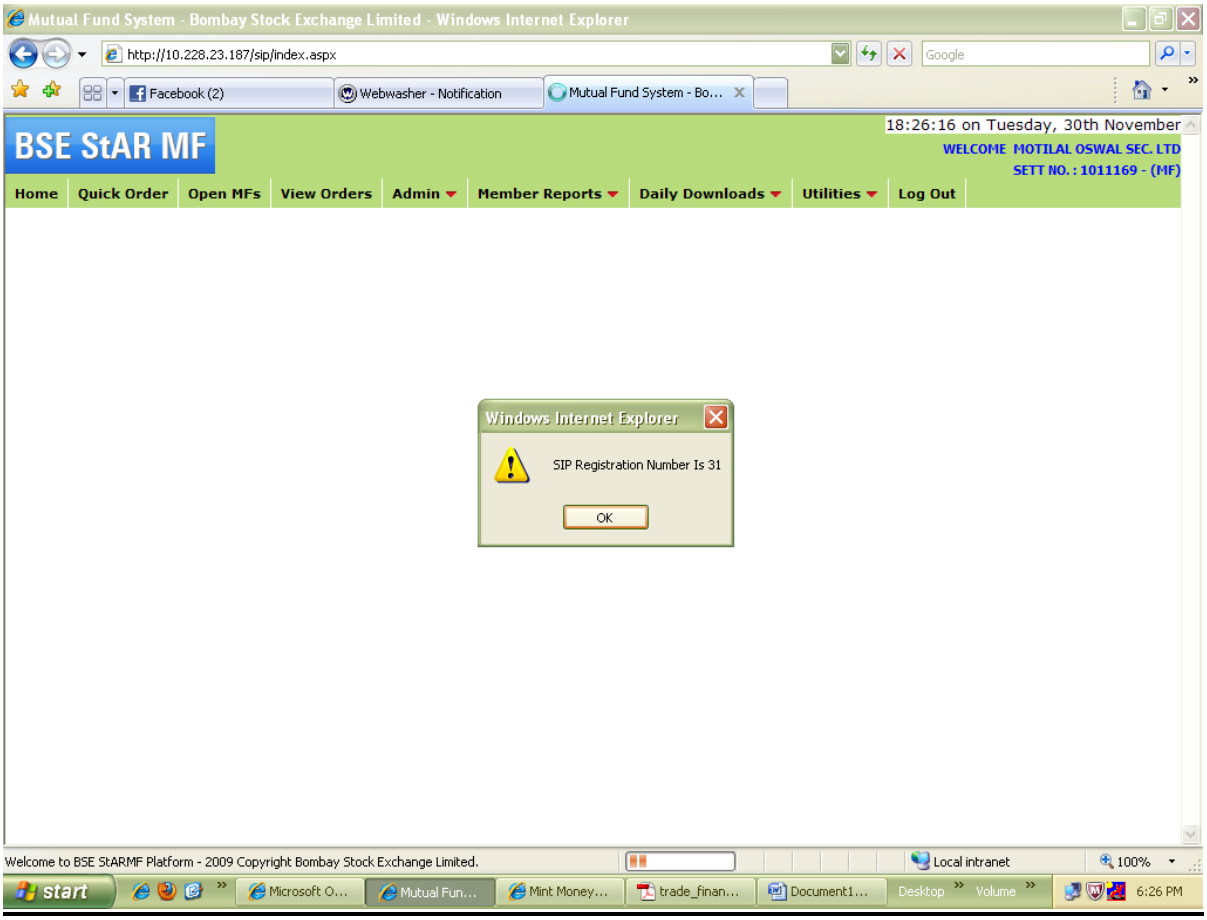
SIP Registration continued…

- After filling all the details click on **submit**



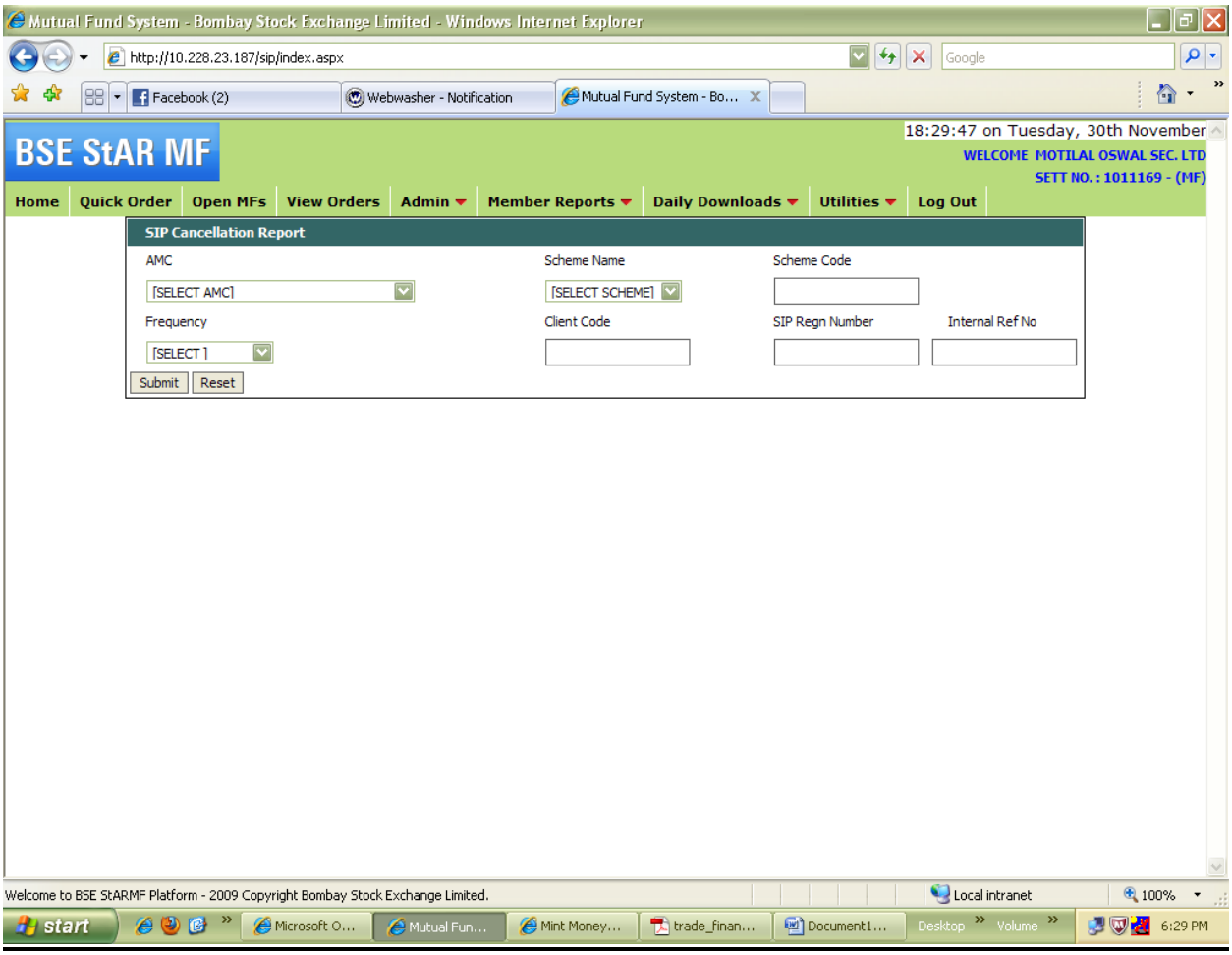
SIP Registration Confirmation

i. On Successful Registration of SIP the SIP Registration will be confirmed with unique SIP registration number.



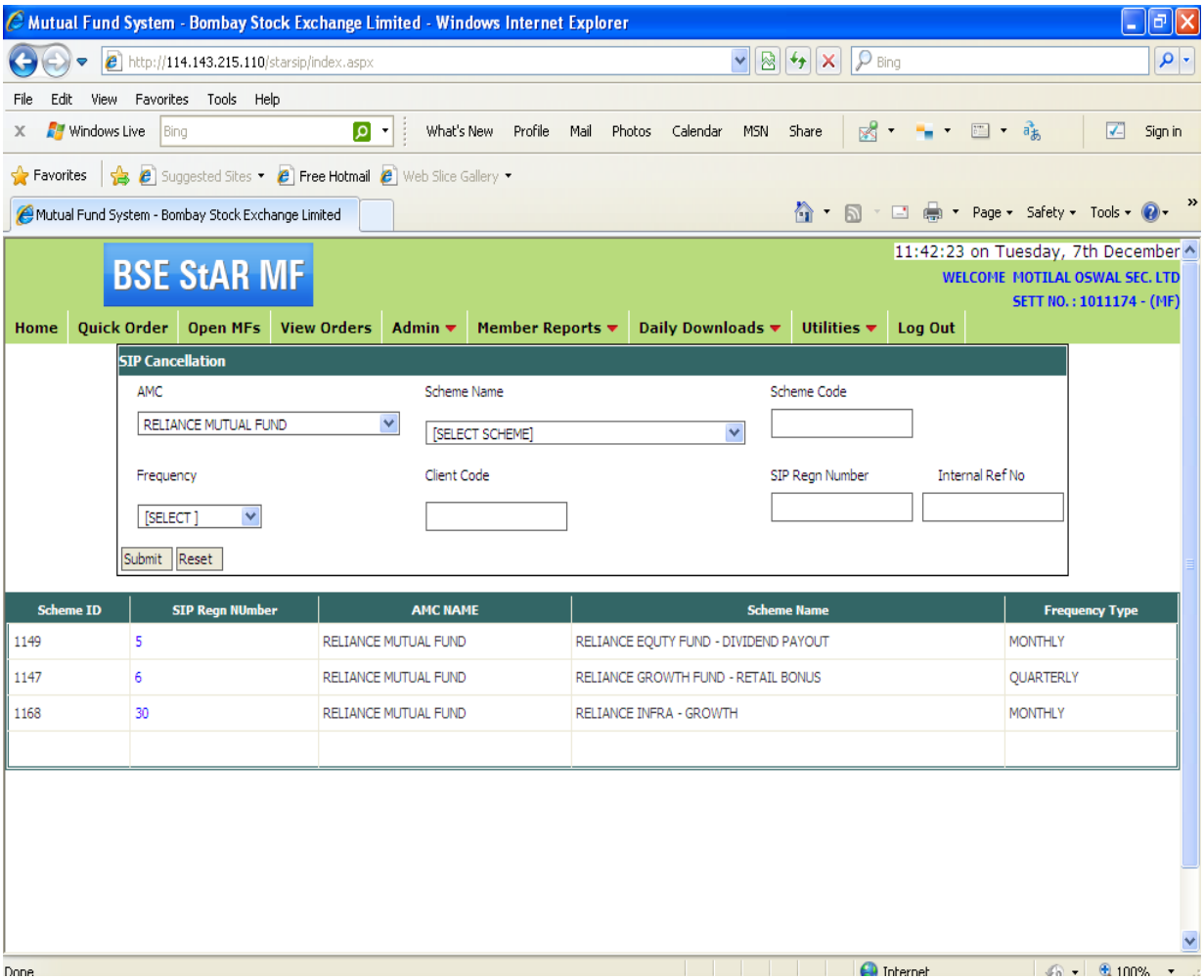
9) The registered SIP can also be cancelled through **SIP Cancellation** window:

ii. User can filter registered SIPs even by Internal Reference Number or SIP Registration Number as shown in the screen shot below.



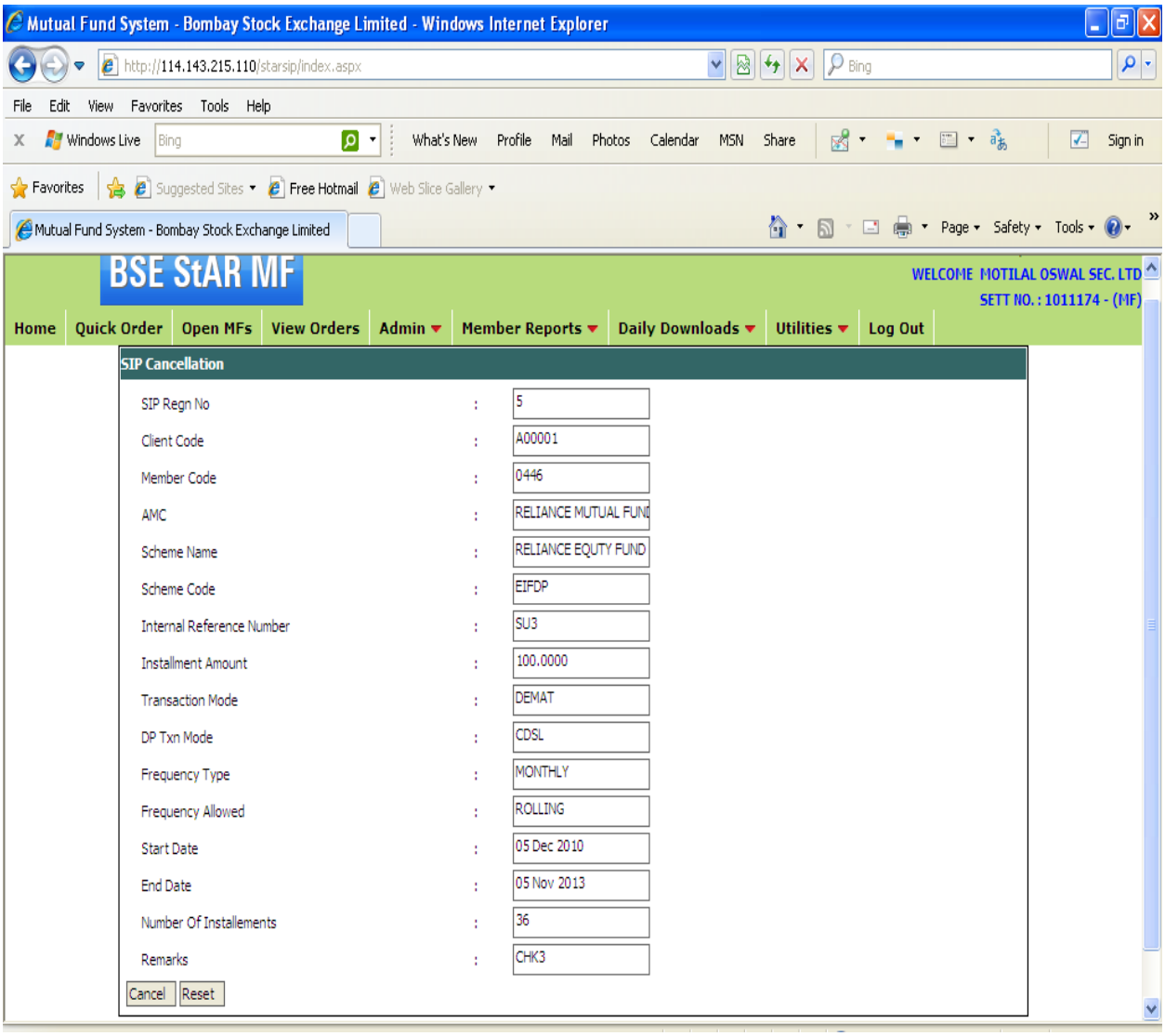
SIP Cancellation continued…

iii. Select SIP Registration number for Cancellation



SIP Cancellation continued…

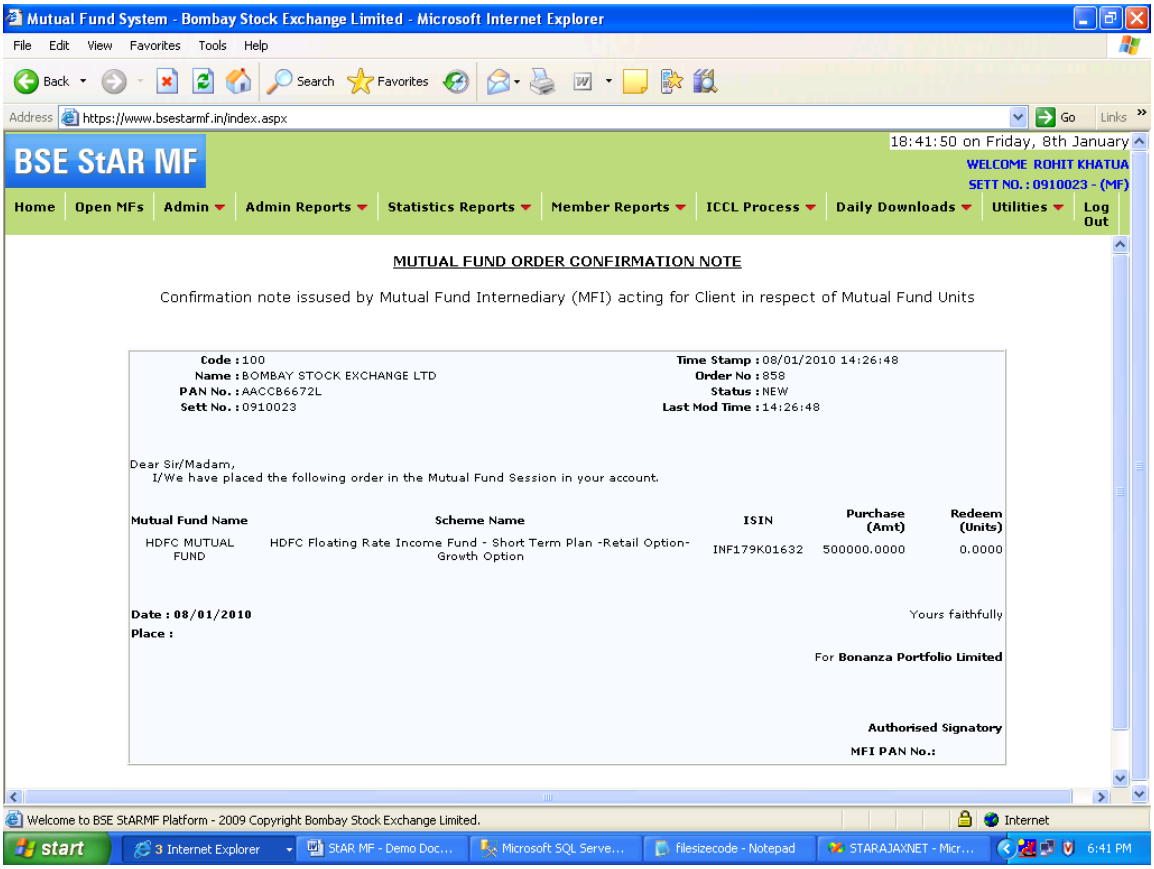
iv. Click Cancel for cancellation of SIP



10) For the placed order, **Order Confirmation note** can be printed from the following menu –

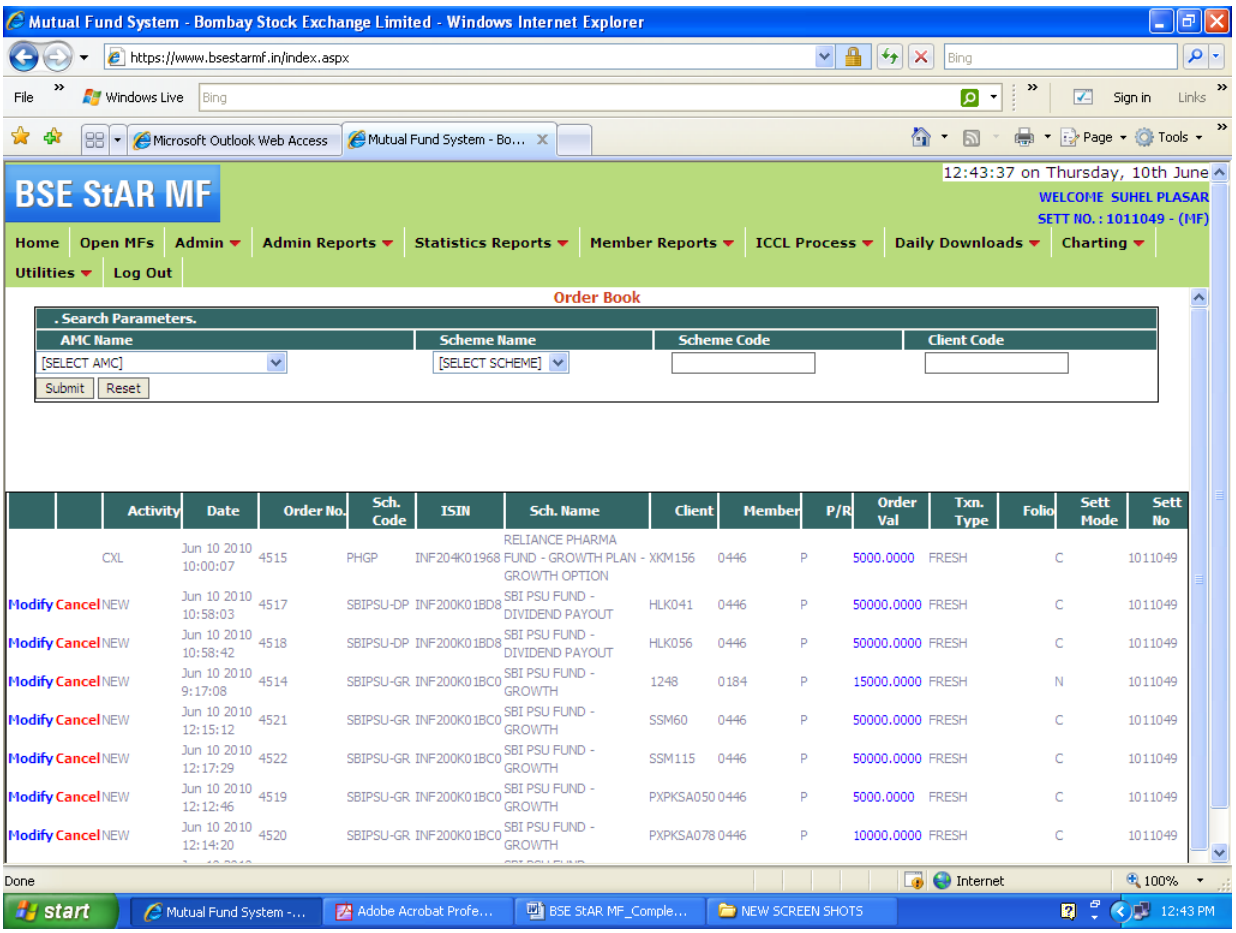
Member reports → Provisional orders

This can be sent to the client by the Member as a proof of order entry being done.



11) Orders that have been placed can be **Modified / Cancelled** (before 3pm that day) from following menu –

Utilities → Member Related → View Orders



12. Reports Available:

Some of the key relevant **Reports** available to the members:

1. Provisional Orders
2. Order Log
3. Order Status
4. Client Fund Obligation
5. Client Delivery Obligation
6. Redemption statement
8. Allotment Statement
9. Member AMC Mapping List (Members can view the name of AMC's for which they can place orders from their terminal).
10. SIP Reports
    - **A.** SIP Registration Report
    - **B.** SIP Cancellation Report
    - **C.** SIP Instalment Due Report

Some Important files available for enabling **Back Office Process**

1. Settlement Calendar
2. Scheme Master Download
3. NAV Download
4. Provisional Orders

Note*:*

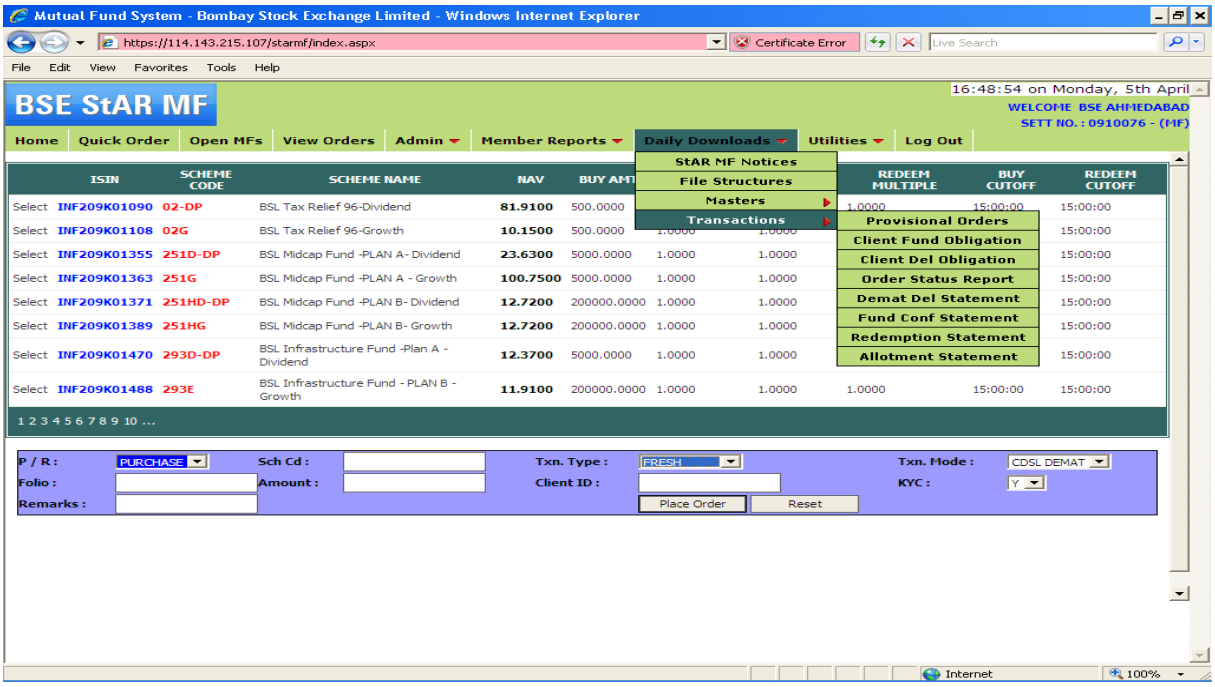
All the Reports available for viewing of the members can be exported as a text file.

These files will be of help for the Members to maintain their BO Software.

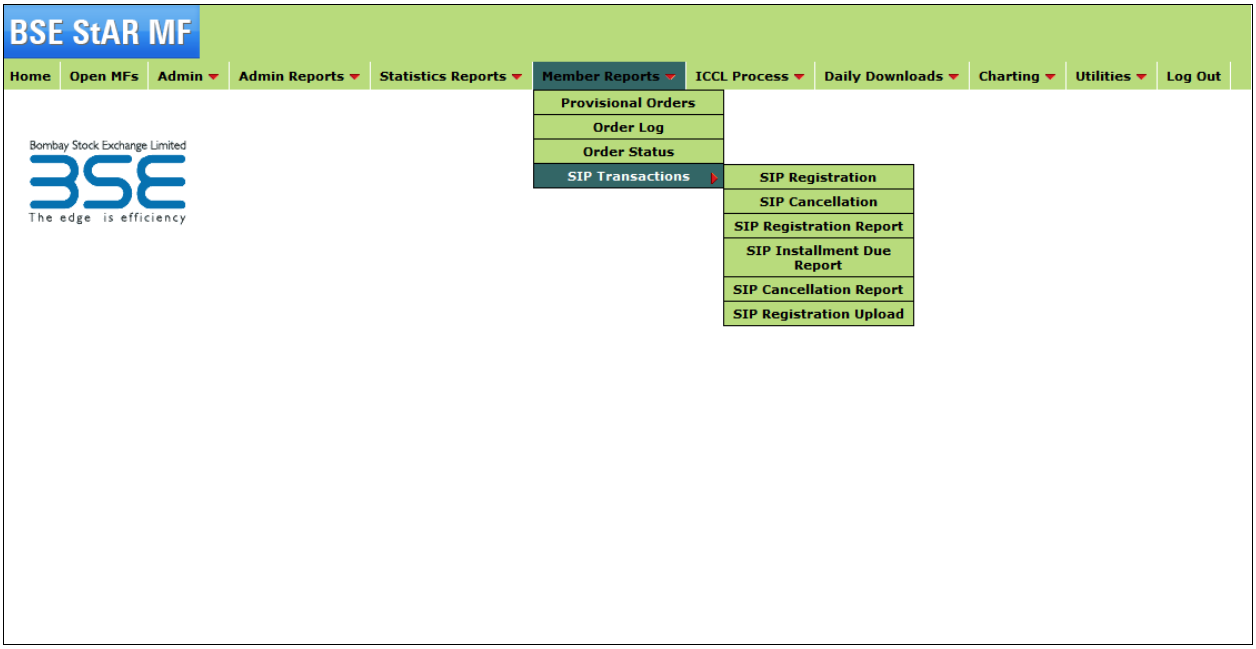
Reports pertaining to Members: Through the menu item → "Member Reports"

All the transaction reports can be viewed by traversing through the menu

Reports pertaining to obligations and statements: Daily Downloads → Transactions

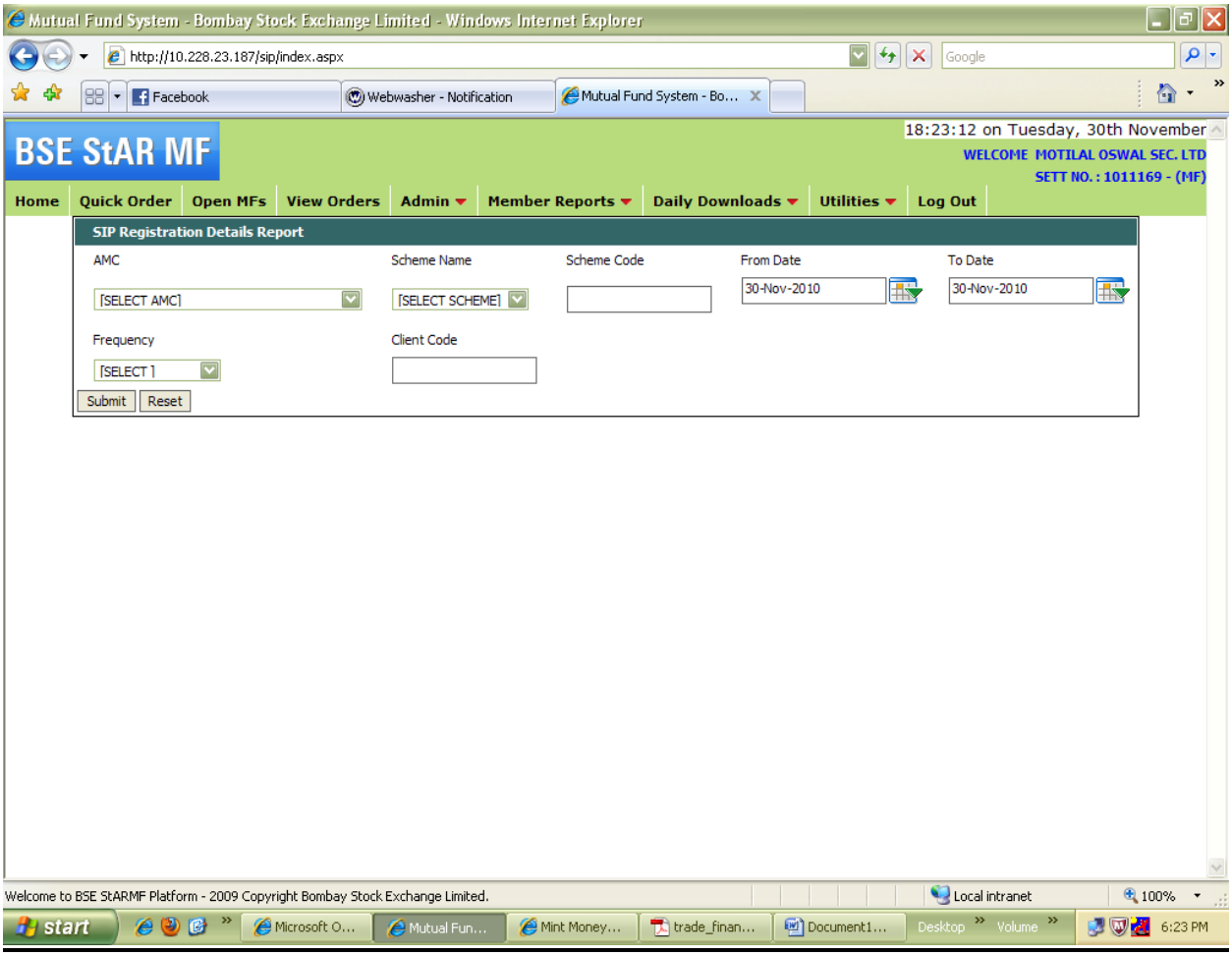


Reports pertaining to SIP: Member Report → SIP Transactions

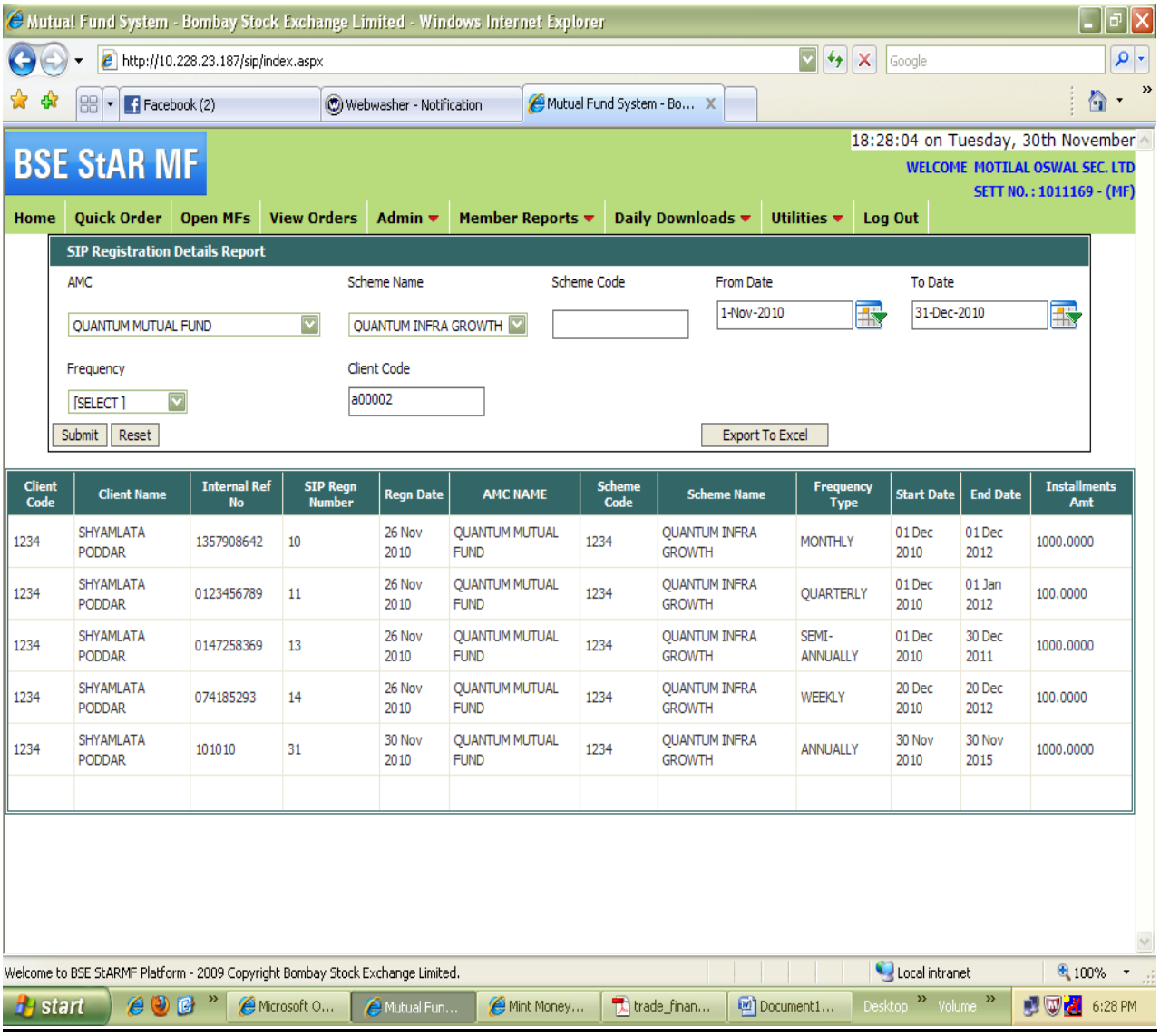


A. SIP Registration Details Report

- Fill in the details and then view AMC wise/Scheme wise SIP Details

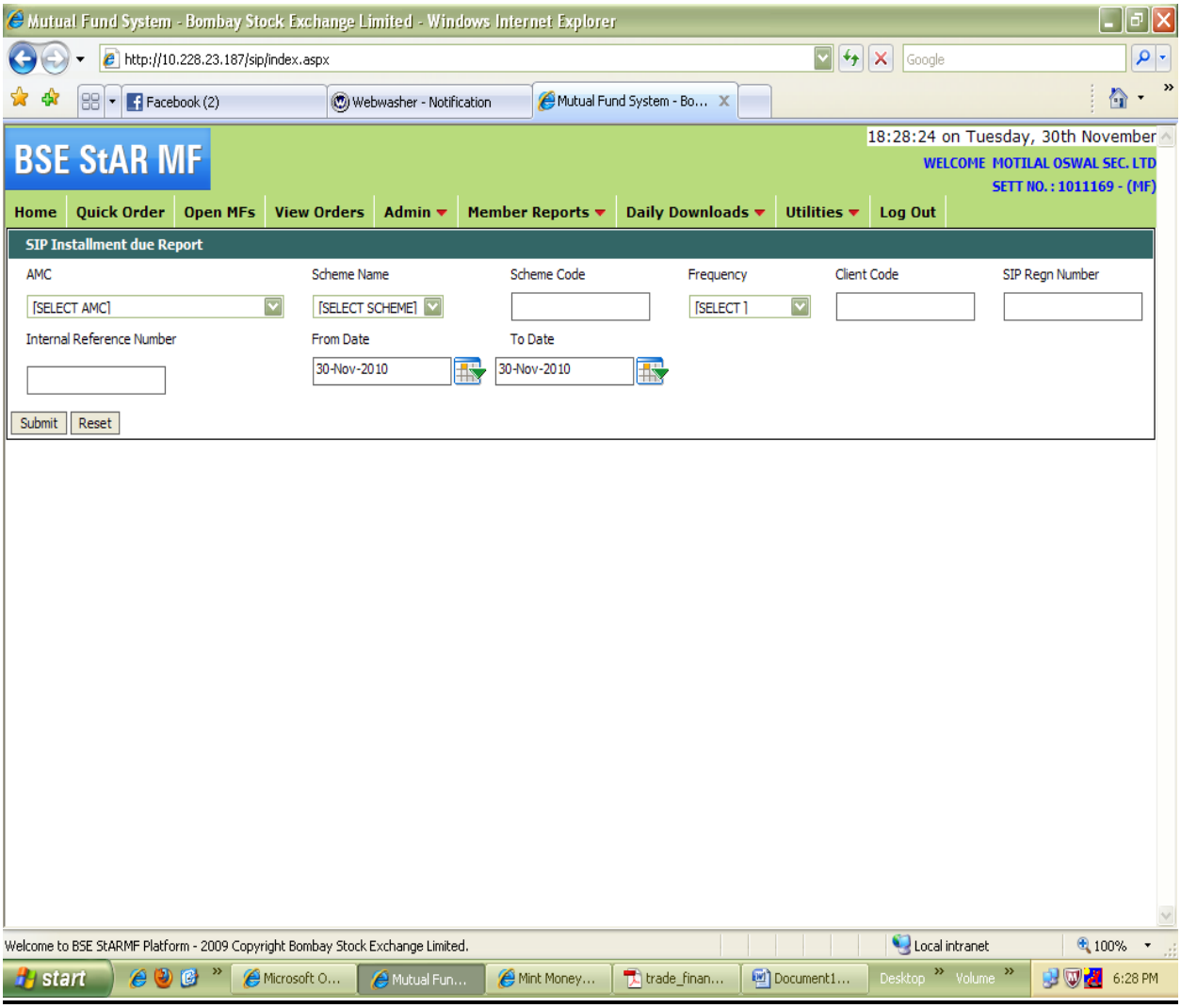


SIP Registration Details Report Output

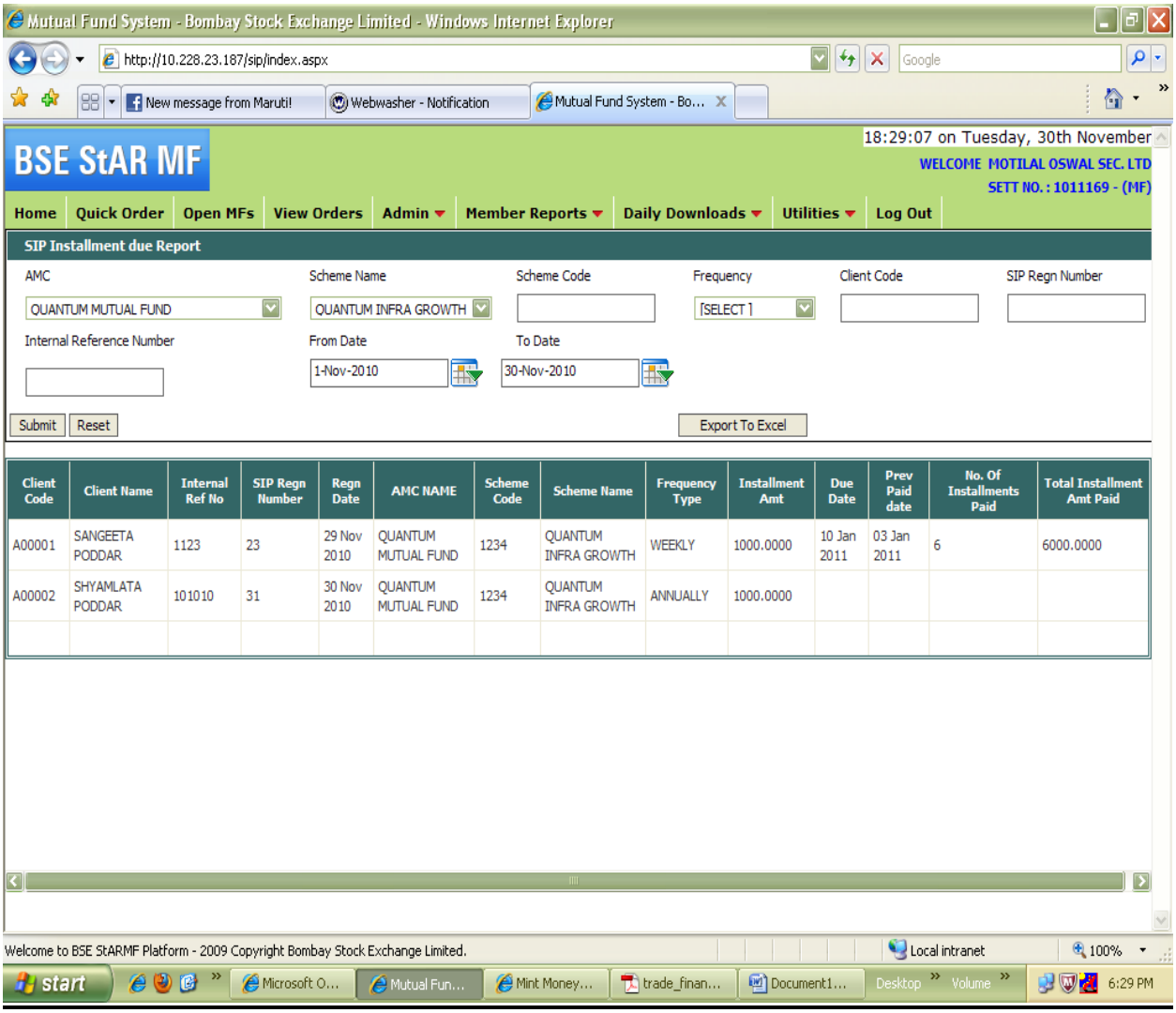


B. SIP Instalment Due Report

- Fill in the details

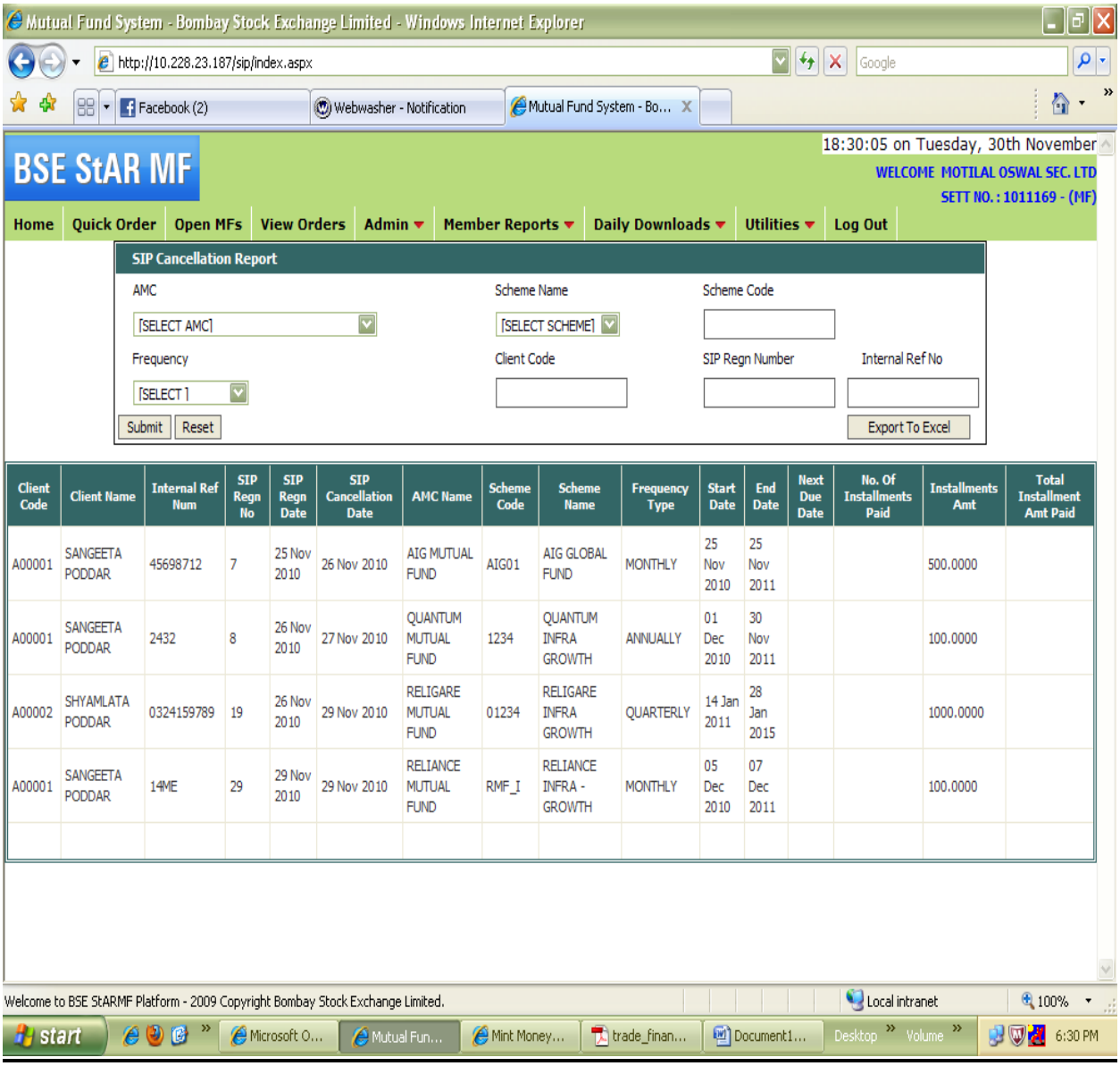


SIP Instalment Due Report Output



C. SIP Cancellation Report Output

- Fill in the details



To summarize, following is a timetable chart that outlines the details of all activities:

Subscription Activities

T Day

Process	Time
Upload the final subscription transaction feed to RTA's for all the valid purchase transactions received up to 03:00 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	3:30 p.m.
Download of valid order transaction file to brokers for making pay-in	5:00 p.m.
Download of Bank wise / Member wise Pay-in files to respective Clearing banks	6:00 p.m.

T + 1 Day

Process	Time
Fate of Pay-in to be received from Clearing Banks	09:30 a.m.
Credit confirmation to be given to the RTA's	10:30 a.m.
Transfer of Funds related to subscription transactions to the credit of AMC Bank account	11:30 a.m.
Receipt of Reverse Feed File for subscription Transactions	11:30 a.m.
Uploading of Corporate Action File to both the Depositories	12:00 noon
Processing of CA file and generation of the Units in AMC beneficiary account	12:30 p.m.
Transfer of the units from AMC Beneficiary account to AMC Pool account in NSDL depository (Activity to be conducted by respective AMC)	01:00 p.m.
Making the Client level pay-in from the AMC beneficiary account to Clearing house in CDSL Depository (Activity to be conducted by respective AMC)	01:00 p.m.
Uploading of Auto DO instructions by the Clearing House in NSDL Depository	01:00 p.m.
Receipt of Pay-in files from both the depositories	01:30 p.m.
Uploading the pay-out file in both the depositories resulting in transfer of units in Broker's Pool account	02:30 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 then 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 DP's	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 the 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's 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 Clearinghouse 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.

13. Contact for further information:

Bombay Stock Exchange is admitting Deposit Based Membership from all over the country against a deposit of Rs. 10, 00,000 (Rs. Ten Lakhs Only). 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 getting started on BSE StAR MF, please contact **your BSE Relationship manager or BSE Help Desk at +91 22 6136 3100**

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 DBM.