D/CIR No.10 / 310 /01
September 25, 2001

All Mutual Funds Registered with SEBI
Unit Trust of India
Association of Mutual Funds in India

Dear Sirs,

Certification Programme and Disclosure Standards.

With a view to improving professional and disclosure standards in the mutual funds industry, it has been decided in consultation with Association of Mutual Funds in India (AMFI) to implement the following steps:

1. **Certification Programme :**

   AMFI is presently conducting a certification programme for agents/distributors of mutual funds units and employees of mutual funds.

   With a view to improving professional standards, it has been decided to make it mandatory for all mutual funds to appoint agents/distributors who have obtained AMFI certification, w.e.f. November 1, 2001. Also, the existing agents/distributors are expected to pass the certification programme by March 31, 2003. In case of firms/companies, the requirement of certification may be made applicable to the persons engaged in sales and marketing.

   For implementing the above, the mutual funds shall place the list of existing agents/distributors as on October 31, 2001 before their Boards of AMCs and Trustees. Any addition to the list shall be intimated to the Boards in their next meetings confirming that new agents/distributors have obtained the certification.

   All mutual funds shall direct their agents/distributors to follow the provisions of SEBI Regulations and Guidelines pertaining to mutual funds with specific focus on regulations/guidelines on advertisements/sales literature and code of conduct. Mutual Funds shall monitor the activities of their agents/distributors so that they may not indulge in any kind of malpractice or unethical practice while selling/marketing mutual funds units.

   It has also been decided that the existing and new employees of mutual funds particularly those who are involved in sales and marketing shall be encouraged to pass the certification process by December 2002. The progress made in this respect shall be reported to Boards of AMCs and Trustees,

   Compliance of the above requirements and progress made in their implementation shall be reported to SEBI in the quarterly compliance test reports of AMCs and half-yearly reports of the Trustees.

   These guidelines are being issued for effective implementation of provisions of Regulations 18(22) and 25(16) read with Regulation 25(3) and code of conduct as specified in Fifth Schedule of SEBI (Mutual Funds) Regulations, 1996.

2. **Disclosure of Half-Yearly Results on Web Sites:**

   In accordance with Regulation 59 of SEBI (Mutual Funds) Regulations, 1996 all mutual funds are required to publish their unaudited half-yearly results in the format prescribed under Twelfth Schedule to the Regulations. It has been decided that the mutual funds shall also post these results in the prescribed format on their web sites. Also, for the purpose of easy reference by the investors, it has been decided that all mutual funds shall display these results on AMFI web site (www.amfiindia.com) before the expiry of one month from the close of each half-year.

Compliance of these requirements may be reported to SEBI while sending a copy of half-yearly results in accordance with Regulation 58(2)(b).

3. **Disclosure of Half Yearly Portfolios on Web Sites:**

Further to SEBI Circular No. MFD/CIR/9/120/2000 dated November 24, 2000 regarding disclosure of half-yearly scheme portfolios, it has been decided that the

mutual funds shall also disclose the portfolios on their web sites in the prescribed format before the expiry of one month from the close of each half-year. A copy of the portfolios shall also be filed with SEBI at the time of submission of half-yearly results.

These guidelines are being issued in accordance with the provisions of Regulation 77 of the SEBI (Mutual Funds) Regulations, 1996.

Yours faithfully,

P.K. NAGPAL
CHIEF GENERAL MANAGER
MUTUAL FUNDS DEPARTMENT

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