

### **Annexure A3 - Code of Conduct for PMS Distributors**

- 1) Consider investor's interest as paramount and take necessary steps to ensure that the investor's interest is protected in all circumstances.
- 2) Adhere to SEBI Portfolio Management Regulations and guidelines issued from time to time related to distributors, selling, distribution and advertising practices. Be fully conversant with the key provisions of the Disclosure Document and the contract being entered between the customer and the Portfolio Manager.
- 3) Comply with SEBI guidelines / requirements issued from time to time in preparation of sales, promotional or any other literature about any schemes. Performance disclosures should also comply with the requirements specified by SEBI. Provide full and latest information of strategy solicited to investors in the form of performance reports as defined under PMS regulations, Risk Factors, Portfolio Strategy and Deviations, highlight the assumptions if any.
- 4) Disclose to the investors all material information including all the commissions received for the purpose of soliciting such Portfolio Management Strategy.
- 5) Abstain from indicating or assuring returns in any type of strategy.
- 6) Maintain necessary infrastructure to support the Portfolio Managers in maintaining high service standards to investors, and ensure that critical operations such as despatch of disclosure document, statement of portfolio and performance, fees statement, audit report and anything else as required is done in timely and efficient manner.
- 7) Distributors shall keep themselves abreast with the developments relating to the Portfolio Management Industry as also changes in the disclosure documents, changes in controlling interest, loads, portfolio manager, and other material aspects and deal with the investors appropriately having regard to the up to date information.
- 8) Maintain confidentiality of all investor details, deals and transactions.
- 9) Distributors shall keep investor's interest and suitability to their financial needs as paramount and that extra commission or incentive should never form the basis for recommending a portfolio management strategy to the investor.
- 10) Distributors shall not rebate commission back to investors and abstain from attracting investors through temptation of rebate/gifts etc. Do not undertake commission driven malpractices such as recommending inappropriate strategy solely because the intermediary is getting higher commissions therefrom.
- 11) Abstain from making negative statements about any other Portfolio Manager or

strategy and ensure that comparisons, if any, are made with similar and comparable products along with complete facts.

- 12) Distributors of Portfolio Management Services shall obtain NISM certification and register themselves with AMFI and obtain an Employee Unique Identification Number (EUIN) from AMFI apart from AMFI Registration Number (ARN). The Distributors shall ensure that their employees quote the EUIN in the Application Form for investments. The NISM certification and AMFI registration shall be renewed on timely basis.
- 13) Distributors shall comply with the Know Your Distributor (KYD) norms issued by AMFI.
- 14) Provide all documents of its investors in terms of the Anti-Money Laundering / Combating Financing of Terrorism requirements, including KYC documents / Power of Attorney / investor's agreement(s), etc. with Distributors as may be required by Portfolio Managers from time to time.
- 15) Be diligent in attesting / certifying investor documents and performing In Person Verification (IPV) of investor's for the KYC process in accordance with the guidelines prescribed by SEBI/ KYC Registration Agency (KRA) from time to time.
- 16) Observe high standards of ethics, integrity and fairness in all its dealings with all parties - investors, Portfolio Manager, Advisers and other intermediaries/ service providers. Render at all times high standards of service, exercise due diligence, and ensure proper care.
- 17) The PMS Distributors shall classify at the Customer Level whether "advisory" or "execution only" customer and necessary disclosure shall be made with the customer.

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