

**Report of the Working Group -
Systemic Withdrawal Plan (SWP)
/Systemic Transfer Plan (STP)
facility for Investors holding units in
Demat form**

October 2023

Constitution of the working group

SEBI had constituted a working group for enabling SWP (Systematic Withdrawal Plan) / STP (Systematic Transfer Plan) facility for investors holding units in demat form.

MEMBERS OF THE WORKING GROUP

The Working Group was constituted with following representatives from BSE (formerly Bombay Stock Exchange), National Stock Exchange of India Ltd (NSE), Central Depository Services (India) Ltd (CDSL), National Securities Depository Ltd (NSDL), Computer Age Management Services Ltd (CAMS) and KFin Technologies Ltd (KFintech)

S. No.	Name of Organisation	Name of Official
1	BSE	Mr Ketan Jantre
2		Ms Zeeta Eustace
3	NSE	Mr Chetan Doshi
4		Mr Vinit Gupta
5	CDSL	Mr Nitin Ambure
6		Mr Prashant Kokate
7	NSDL	Mr Prashant Vagal
8		Mr Parthiv Dave
9	CAMS	Mr E S Varadarajan
10	Kfintech	Mr Subrata Mukherjee
11		Mr Santosh Mansingh
12		Mr Gladston Somervel

TERMS OF REFERENCE

The Working Group was tasked to enable facility of SWP / STP for investors holding Mutual Fund units in dematerialized form. During the meeting held on

November 15, 2022 with SEBI, following Terms of Reference were stipulated for the Working Group :-

1. To stipulate the registration process for a client which wishes to avail the facility of SWP/ STP for mutual fund units held in depository system which could be online and /or offline.
2. Standardization and identification of fields for SWP/STP transaction
3. Variants of SWP/STP which can be allowed like fixed units, fixed amount, capital appreciation etc.
4. To lay down cancellation / termination process for SWP/ STP instruction
5. To specify the information flow between depositories, MF-RTAs and MF stock exchange platforms
6. Any other operational aspect.

Background

CURRENT SCENARIO

There is a facility of Systematic Withdrawal Plan (SWP) & Systematic Transfer Plan (STP) for Mutual Fund units whereby the Mutual Fund units held by a client are debited at a fixed frequency on the basis of a one-time instruction given by the Client.

For MF units held in Statement of Account form, the client can give a one time instruction for SWP / STP to the concerned Mutual Fund (MF) or its Registrar and Transfer Agent (RTA) through any of the following modes – Physical, Online request through AMC/RTA website including MF Central, Channel partners, MFU, Exchange :-

- (a) In case of a SWP, the client can specify a fixed number of units which are to be redeemed at a specified frequency or a fixed amount which is required as a payout at a specified frequency. Based on the one time instruction, on the designated date, units amounting to that fixed quantity or amount would be redeemed.
- (b) In case of STP, the client can instruct to transfer a fixed amount from one Mutual Fund scheme (redemption) to another scheme (subscription)

managed by the same fund house at a specified frequency. Based on the one time instruction, on the designated date, the STP would be initiated.

This process is run till cancellation of SWP / STP instruction or till the expiry date of the instruction.

Apart from the above, there are other special products which enable investor to give one-time instruction for redemption / switching of appreciation amount, switching variable amount to target scheme depending on appreciation in source scheme etc. In these instances, units will be redeemed / switched-out from source scheme based on the amount required to meet the specific instalment and hence will be varying across instalments.

For MF units held in demat mode, currently the facility of a one-time instruction for SWP / STP is not available. Hence, such a client needs to give instruction for redemption of units (through Delivery Instruction Slip (DIS)) for every instalment. Alternatively, the client needs to execute a Power of Attorney in favour of the Broker which allows the Power of Attorney holder to execute the DIS for every instalment.

A FACILITY FOR ONE-TIME INSTRUCTION FOR SWP / STP FOR UNITS HELD IN DEMAT FORM

Hence, it is felt that it would be in the interest of the investors to extend the same facility to the MF units held in electronic mode as is currently available in the physical mode.

Proposed approaches by the Working Group – Approach 1

ONE TIME REGISTRATION OF SWP/STP REQUEST WITH DEPOSITORIES/STOCK EXCHANGES FOR EXECUTION OF ORDERS ON ORDER ENTRY PLATFORM OF STOCK EXCHANGES.

A. Registration through depositories.

The process flow for SWP/STP registration by the client through depositories is as follows:

1. The depositories will maintain the list of eligible ISINs for SWP / STP facility based on the information received from MF RTAs.
 - a. The list of eligible ISINs on which SWP is allowed along with the start date and end date (as and when this facility is withdrawn by the AMC). The acceptance of new SWP instructions will be stopped from the EOD of the end date so mentioned. In case of open ended schemes, where there is no end date the facility of SWP may be permitted as long as the ISIN is active. In general, SWP facility shall not be available for closed ended/FMP and open ended ELSS/children/retired schemes during lock-in period.
 - b. The list of eligible ISIN combinations on which STP is allowed along with the start date and end date (as and when this facility is withdrawn or the ISIN combination changed). The acceptance of new STP will be stopped from the EOD of the end date so mentioned. In case of open-ended schemes, where there is no end date the facility of STP may be permitted as long as the ISIN is active. In general, STP-out facility shall not be available for closed ended/FMP and open ended ELSS and open ended ELSS/children/retired schemes during lock-in period. Schemes. Further STP-in shall not be applicable for liquid / overnight schemes.
2. The client will be given an option to register for SWP/STP facility through online portal of the DP. Such registration will entail that based on the onetime online instruction provided by such BO, the DP can generate transactions to debit (debit applicable in case of SWP and STP) / credit (credit applicable in case of STP only if standing instructions to receive credit is not enabled in the demat account) MF units from his/her demat account in accordance with the parameters provided while doing online registration. Further, the investor may even be able to submit STP/SWP request to their broker/DP and the request can be downloaded and uploaded by DP through the digital platform of the depository.
3. Alternatively, the investor can submit a physical one-time instruction for SWP / STP transactions for Mutual Fund units held in demat form to the Depository Participant (DP).

4. All controls specified for electronic/ physical instruction will be made applicable mutatis-mutandis to such one-time instruction received electronically / physically.
5. The BO will inter alia provide following details for mandate registration of SWP/STP.
 - a. Transaction Type i.e. STP/SWP
 - b. BOID (DP ID, Client ID) along with UCC
 - c. PAN
 - d. ISIN - scheme-option level viz., Dividend Payout / Dividend Reinvest, Growth etc. (which is to be debited) – Applicable in case of SWP and STP
 - e. ISIN - scheme-option level viz., Dividend Payout / Dividend Reinvest, Growth etc. (which is to be credited) – Applicable in case of STP
 - f. Effective From date
 - g. Effective To date
 - h. Frequency
 - i. Date of SWP / STP for each month @ (Execution Date)
 - j. No. of units to be debited
 - k. Exchanges from where the order shall be triggered to RTA
 - l. ARN Number

Note - @ - If the date of SWP/STP happens to be a market trading holiday, the SWP / STP processing should be done on the next trading day as per the current practice followed by the MF / AMCs.

6. Electronic instruction for registration –
 - a. The BO will log on to the system of the DP to enter SWP/STP mandate registration details using two-factor authentication.

- b. The above information would be sent to Depository by the DP and the BO would be redirected to the Depository system.
 - c. The BO then will be asked to enter the TPIN / OTP for identification which has been issued to the BO by depository without intervention of the DP.
 - d. On successful TPIN/OTP verification, the BO will be able to view all the above-mentioned mandate registration details entered on the online portal and forwarded by the DP to the Depository along with the Unique Reference Number generated (for identification / matching)
 - e. The request for OTP Authentication of the registration details would be enabled.
 - f. After verifying the mandate registration details, the BO will request for the generation of OTP. The Depository will send OTP directly to the BO's registered mobile number and/or email id.
 - g. On receipt of OTP, the corresponding mandate registration details linked to URN would be saved in depository system for future validation.
7. The redemption instructions based on one time registration (mandate) for SWP/ STP
- a. The DP will generate the instruction for redemption (debit in the demat account) based on one time registration at the specified frequency.
 - b. The depository will match the registration (mandate) details with the instruction details submitted by the DP. Based on the unique reference number, the MF redemption instruction will be allowed for debiting the MF units from client demat account till the prescribed end date of the transaction mentioned in mandate.
 - c. The request will get processed through the current settlement mechanism for order entry platform of stock exchanges. Currently for the MF settlement, the investors submit the DIS to the DPs for each redemption request who enter the instructions in the depository system. Under the proposed approach, the DPs will generate instructions based on the one time SWP/ STP mandate registered by the investor. For the instructions submitted by DP which get

matched with the registration details for SWP / STP (mandate), the depository will provide these instruction details to Clearing Corporation (CC). The rest of the process will be the same as in the current settlement mechanism for the order entry platform of exchanges. The CC will also receive the corresponding details from exchange. Only for the matched instructions, depositories will debit corresponding MF units from client's demat account and transfer to CC account. The CC will reconcile the final validated STP/SWP orders with the units received from depositories and send the final file to RTA for processing. The units will be extinguished from the AMC Beneficiary account through corporate action mechanism.

- d. The facility for revocation of one-time instruction for SWP / STP by the investor shall be made available by depository system.

8 .Physical instruction for Registration:

- a. A one-time duly signed physical mandate registration form can be submitted by the client to the DP which will authorise the DP to generate transactions to debit MF units from his demat account in accordance with the parameters provided in physical registration form (as mentioned in point no 3) based on the onetime instruction given by him /her. The physical mandate registration form will be maintained by the DP.
- b. A provision would be made available to the DP to capture mandate registration details of SWP/STP request in the depository system.
- c. The BO will be sent a link for authentication of the mandate registration details by depository. On clicking of the link, the mandate registration details as entered by the DP in the depository system would be made available to the BO by depository.
- d. After verification of the mandate registration details, the BO will request the system for the generation of OTP. The depository will send OTP directly to the BO's registered mobile number and/or email id.

- e. If the OTP is entered correctly, a ‘Unique Reference Number’ (URN) will be generated by the Depository system. All corresponding mandate registration details linked to the URN would be saved in the depository system for future validation.
 - f. The DP will generate the instruction for redemption (debit in the demat account) based on one time mandate registration at the specified frequency.
 - g. The depository will match the registration (mandate) details with the instruction details submitted by the DP. Based on the unique reference number, the MF redemption instruction will be allowed for debiting the MF units from client demat account till the prescribed end date of the transaction mentioned in mandate.
 - h. The request will get processed through the settlement mechanism of stock exchanges as mentioned under point no. 7 above.
 - i. The facility for revocation of one-time instruction for SWP / STP by the investor shall be made available by depository and DP in both online as well as off-line modes.
- 9 Post mandate registration of SWP/STP at depositories end, the registration details along with Unique Reference Number shall be shared with respective exchanges for updation of SWP/STP master at the exchange end.
- 10 On receipt of the Unique registration no, exchanges match the investor UCC details with their record and include in the schedule for order execution on the cycle date.
- 11 For STP/SWP mandate registration no. generation depositories shall connect with BSE/NSE to follow the registration no. pattern and logic. Alternatively, the exchanges can map their registration no with URN shared by depositories and share to depositories.

B. Registration through members of exchanges

1. Alternatively, registration for SWP/STP can also be made through members of Exchanges.
2. Existing STP/SWP mandate registration process followed in case of SOA at the exchanges will be extended to demat .

3. The SWP/STP mandate registration will be maintained at Exchange Depository-PAN-BO ID -ARN-ISIN specific.
4. During registration at Exchanges, separate one time mandate shall be obtained from the investor for auto debit of units from the investor's demat account. Alternatively, the investor should have the option to set auto mandate in the depositories system.
5. In case of the SWP/STP mandate registrations on the stock exchanges for mutual fund units held in demat form, the stock exchanges shall provide the required registration data to the depositories (after base level validations) along with debit mandate pursuant to which mandate will get registered in the depository system for auto debit. The depository will pass this information to the DP for registration of the SWP/STP mandate details. The depository will pass this confirmation of registration of mandate to the Exchange.
6. The investor will be required to provide SWP/STP mandate registration details as set in the exchanges to the Depository Participant. Thereafter, the process for SWP/STP mandate registration as specified under serial number A (6) or A (8) will be followed.
7. The MF redemption instruction will be allowed for debiting the MF units from client demat account till the prescribed end date of the transaction mentioned in the mandate.

C. Processing of execution of mandate of MF units through Platform of exchanges (registration made through exchanges and depositories)

1. On the scheduled day, Exchanges (where the SWP/STP registration has been made by the investor directly or registration made through the depositories and opted the exchange) shall trigger SWP/STP orders to RTA along with registration details.
2. On receipt of the orders, RTA validates and confirm to exchanges for unit transfers.
3. Thereafter, the procedure as mentioned under serial number A (7) for redemption instructions based on one time registration (mandate) for SWP/STP will be followed on the scheduled days i.e., on date of SWP/STP .

4. Further as per the SEBI circular no. SEBI/HO/IMD/IMD-I DOF5/P/CIR/2021/635 dated October 4, 2021, redemption proceeds of corresponding SWP instruction will be credited in the client's bank account through Clearing Corporation.

The process flows for Approach 1 for Registration through DP, Registration through Member and Redemption process through stock exchange mechanism are enclosed at Annexure A.

The said approach will require system development for maintenance of masters by depositories for eligible securities for which SWP/STP is allowed, facility for registration for SWP/STP through DP online portals and transmission to depository system, system for checking the DP instructions against the earlier SWP/STP mandates registered and data exchange mechanisms/interchanges between depositories and exchanges for facility of SWP/STP registration through members.

Proposed approaches by the Working Group – Approach 2

SWP/STP TRANSACTIONS IN MF UNITS HELD IN DEMAT FORM TO BE PROCESSED THROUGH RTA

The Working Group discussed that the approach 1 is from the perspective of Depositories / Exchange maintaining the registrations and having the triggers raised on the respective dates from their end. This approach will not call for major changes to the existing processes at RTAs and Exchanges as they already have the provision of reporting these registrations / transactions to RTA. This will need a process to be built between depositories and exchanges for exchange of information (both registration and triggers) and changes at depositories' and DP's end for mechanism of registration of one-time mandate, authentication by the investors and checking of transactions / triggers against the registration details. But this approach limits the application to unit based specific date registrations which is only a subset of overall STP/SWP registrations prevalent in the industry.

Based on the current experience on SIP where registrations are maintained by exchanges/members and triggers reported to RTA on the respective dates and the final processing is happening at the RTA, the following approach as mentioned below can be considered in the second phase.

Under this approach, since the final processing takes place at the MF RTA and exchanges will also register the demat account holders for the SWP/STP facility in demat form, the triggers can be controlled by RTA/stock exchange for these STP/SWP transactions.

This will also provide the flexibility of extending other variants of STP/SWP like (a) amount based SWP/STP (b) Appreciation based switches (b) Swing STP etc.

The Process under Approach 2 is as under :

1. The process of registration of the demat account holder with the DP or member in this approach will remain the same as Approach 1. The mandate from the investor will allow the depositories / DPs to debit the number of units from demat accounts based on the instructions received from the MF RTA/Exchanges. This is needed for mandates with parameters other than ‘number of units’. In such cases the ‘number of units’ to be debited from the demat account will be received by the depositories from MF RTA / Exchanges which cannot be validated by the depositories. E.g. if the mandate given by the investor is in terms of ‘amount’, the number of units to be debited so that the investor will get the requisite amount will be decided based on the NAV which will be available with MF RTAs.
2. The registration details will be informed to the MF RTAs/Exchanges by depositories
3. The MF RTA/exchange will create registration (mandate) at their end and give a reverse feed to Exchanges/Depository, as may be required by them.
4. The redemption instruction on the due date will be triggered by the MF-RTA/Exchange. The Exchange shall give the trigger details to CC. The CC will push the triggers to MF- RTA for exchange transactions.
5. The MF-RTA/exchange will push the Mandate registration number, number of units, NAV and amount of the respective instalment to depository through API.
6. The depository will check the ‘amount’ against the ‘amount’ specified in the registered mandate and lock units as specified by the MF-RTA in the triggered transaction and create an Auto RRN (Remat Request) to the extent of units reported by MF-RTA and push to MF-RTA through API.
7. If the required unit balance is not available, depository will return failure information to MF-RTA, basis of which MF-RTA will reject the instalment. If the required unit balance is available, basis the RRN,

MFRTA will process SWP/STP and raise confirmation of RRN as is being done for the existing redemption mechanism through DP.

8. The RTA will provide the reverse feed to the stock exchange for both success as well as failure transactions.
9. In case of SWP, the MF-RTA will release the payment to investor to bank mandate provided in demat account. In case of exchange originated transactions, the clearing corporation shall release the payment to the bank account registered with exchange as is being done currently.

The said approach would require building APIs between MF RTAs , Depositories and stock exchanges for real-time exchange of information and the requisite system development at MF RTAs , Depositories and stock exchanges.

The process flow for Approach 2 is enclosed at Annexure B.

Pros of the two approaches:

The pros of Approach 1 are as below.

Sr. No.	Pros of Approach 1
1.	Completely ready at RTA end. Depositories will have to carry out system developments at their end for implementation of this approach. Minimal changes in the existing process of Order Entry on Stock Exchange platforms.
2.	The existing SWP/STP process followed in case of units in SOA form will get extended to SWP/STP for units in demat form. The pending demand of demat account holders to extend the facility of one time instruction for SWP/STP to MF units in demat form will be fulfilled.
3.	Registrations and triggers will be carried out by MIIs
4.	There are no additional debit CA charges payable by AMCs.

The pros of Approach 2 are as below.

Sr. No.	Pros of Approach 2
1.	The approach can handle Amount based SWP/STP transactions in addition to unit based SWP/STP transactions
2.	Other variants of STP/SWP like (a) Appreciation based switches (b) Swing STP etc can also be made available. Thus there will be no restriction on product offering
3.	No major difference in investor experience as he continues to deal with his member / depository as is being done today.

Views of NSDL

The following are the views of NSDL with respect to the aforementioned two approaches which were discussed by the working group. .

APPROACH 1 AS SUGGESTED BY NSDL

ONE TIME REGISTRATION OF SWP/STP REQUEST WITH DEPOSITORIES/STOCK EXCHANGES FOR EXECUTION OF ORDERS ON ORDER ENTRY PLATFORM OF STOCK EXCHANGES.

A. Registration through depositories.

The process flow for SWP/STP registration by the client through depositories is as follows:

1. The depositories will maintain the list of eligible ISINs for SWP / STP facility based on the information received from MF RTAs. This is inline with Approach 1 except:
 - a. End date field may be required only if the eligibility of ISIN for STP may change over a period of time and that eligibility status of STP against ISIN needs to be mentioned.
2. Inline with Approach 1 mentioned above. Except for crediting securities, in case of STP, standing instructions to receive credit need not be enabled as the credit shall happen via Credit Corporate Action by MF-RTAs.
3. Inline with Approach 1 mentioned above.
4. Inline with Approach 1 mentioned above.
5. The client will inter alia provide following details for mandate registration of SWP/STP.
 - a. Transaction Type i.e. STP/SWP
 - b. BOID (DP ID, Client ID) ~~along with UCC~~
 - c. PAN
 - d. ISIN - scheme-option level viz., Dividend Payout / Dividend Reinvest, Growth etc. (which is to be debited) – Applicable in case of SWP and STP
 - e. ISIN - scheme-option level viz., Dividend Payout / Dividend Reinvest, Growth etc. (which is to be credited) – Applicable in case of STP
 - f. Effective From date
 - g. Effective To date
 - h. Frequency
 - i. Date of SWP / STP for each month @ (Execution Date)

- j. No. of units to be debited

~~Exchanges from where the order shall be triggered to RTA~~

- k. ARN Number (In case of depository, this information is not visible to client or DP. Suggest RTAs share the same along with Corporate Action so that this information can be provided in client's statements)
- l. Amount of SWP/STP (Approach 2)

Note - @ - If the date of SWP/STP happens to be a market trading holiday, the SWP / STP processing should be done on the next trading day as per the current practice followed by the MF / AMCs.

- 6. Electronic instruction for registration is same as Approach 1 mentioned above.
- 7. The redemption instructions based on one time registration (mandate) for SWP/ STP
 - a. The DP/Depository will generate the instruction for redemption (debit in the demat account) based on one time registration at the specified frequency. For triggering SWP/STP requests, holiday master to be used and other conventions to be decided amongst Depositories and RTAs.
 - b. The depository will match the registration (mandate) details with the instruction details submitted by the DP. Based on the unique reference number, the MF redemption instruction will be allowed for debiting the MF units from client demat account till the prescribed end date of the transaction mentioned in mandate.
 - c. As an immediate implementation measure, the request will get processed through the current settlement mechanism for order entry platform of stock exchanges, although it is not an preferred mechanism. Subsequently, once the RTAs confirm its readiness to implement, it should be routed directly from depositories to RTAs, as is done in case of redemption requests processed through depositories. Currently for the MF settlement, the investors submit

the DIS to the DPs for each redemption request who enter the instructions in the depository system. Under the proposed approach, the DPs/depository system will generate instructions based on the one time SWP/ STP mandate registered by the investor. For the instructions submitted by DP which get matched with the registration details for SWP / STP (mandate), the depository will route these instruction details to the RTAs through Clearing Corporation (CC) to begin with, and later on directly to RTAs, once RTAs confirm readiness. The rest of the process will be the same as in the current settlement mechanism for the order entry platform of exchanges. The CC will also receive the corresponding details from exchange. Only for the matched instructions, depositories will debit corresponding MF units from client's demat account and transfer to CC account. The CC will reconcile the final validated STP/SWP orders with the units received from depositories and send the final file to RTA for processing. The units will be extinguished from the AMC Beneficiary account through corporate action mechanism.

- d. The facility for revocation of one-time instruction for SWP / STP by the investor shall be made available by depository system.
8. Physical instruction for Registration is inline with Approach 1 mentioned above.
 9. Post mandate registration of SWP/STP at depositories end, the registration details along with Unique Reference Number shall be shared with respective exchanges for updation of SWP/STP master at the exchange end.
 10. On receipt of the Unique registration no, exchanges shall route the requests to RTAs as received from the depositories.

B. Registration through members of exchanges

NSDL is inline with the approach 1 mentioned above and would like to highlight aspect of Client authorisation –

Client authorisation to debit the demat account is mandatory. This is possible either by way of two factor authentication by the DP (and not by the stockbroker) or by way of authorisation given by the client to the stock broker by way of a Power of Attorney or by way of a DDPI, on the strength of which the stock broker can issue instructions to the depository/DP to debit the account of the client at pre-set intervals as per the STP/SWP requests.

C. Processing of execution of mandate of MF units through Platform of exchanges (registration made through exchanges and depositories)

1. On the scheduled day, Exchanges (where the SWP/STP registration has been made by the investor directly or registration made through the depositories and opted the exchange) shall trigger SWP/STP orders to RTA along with registration details. Once RTAs confirm readiness, the instructions will be provided by depositories directly to the RTAs.
2. On receipt of the orders, RTA validates and confirm to exchanges for unit transfers.
3. Thereafter, the procedure as mentioned under serial number A (7) for redemption instructions based on one time registration (mandate) for SWP/STP will be followed on the scheduled days i.e., on date of SWP/STP.
4. Further as per the SEBI circular no. SEBI/HO/IMD/IMD-I DOF5/P/CIR/2021/635 dated October 4, 2021, redemption proceeds of corresponding SWP instruction will be credited in the client's bank account through Clearing Corporation, if the instruction is routed through the stock exchange and will be directly processed by the AMC/RTA to the linked bank account of the investor in demat account in case of instruction provided by the depository directly to the RTA, just like it is done currently in case of redemption through depository system.

In respect of approach 2 mentioned above NSDL has following views:

In Point No. 3, the working group has suggested that the MF RTA/exchange will create registration (mandate) at their end and give a reverse feed to Exchanges/Depository, as may be required by them. NSDL view is the reverse feed should be given to both that is Exchange and Depository.

In Point No. 8, the working group has suggested that the RTA will provide the reverse feed to the stock exchange for both success as well as failure transactions. NSDL view is that the reverse feed should be given to both Exchange and Depository.

NSDL is of the view that the operational modalities for Approach 2 need to be discussed and finalised after Approach 1 is live / operational.

Conclusion

From the abovementioned assessments of the two approaches and the relative pros of each approach and the discussions amongst the Working Group members, the working group is of the opinion that :

- (1) Approach 1 may be implemented in the first phase wherein just like investors holding mutual fund units in Statement of Account (SOA) form, investors holding mutual fund units in demat form shall be able to register for SWP/STP through the depositories / exchanges on the basis of one time mandate. In this phase, the processes in context of unit based SWP / STP may be implemented.
- (2) After the data exchanges between depositories, RTAs and Stock exchange platforms are implemented and stabilized for Approach 1 in the first phase, the second phase may be taken up for implementation of the processes as per Approach 2.
- (3) After implementation of Approach 2, both the approaches i.e. Approach 1 and Approach 2 may co-exist in the market, thus giving investors a choice to opt for any mechanism which they deem fit to adopt. Even though Approach 2 may offer additional facilities like amount based SWP/STP, investors may like to use Approach 1 for unit based SWP/STP transactions.