

MarketMagnify

We value your money

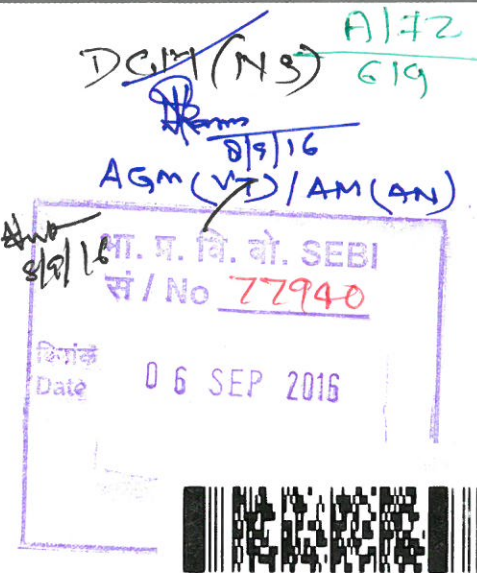
www.marketmagnify.com

Bm
Encl- DD

Dated 02-09-2016

The Manager,
Investment Advisory Department
Securities and Exchange Board of India (SEBI)
SEBI Bhavan, Plot No C4-A, G-Block,
Bandra Kurla Complex
Mumbai 400051

Dear Sir,



Sub: Request for informal guidance by way of interpretive letter under SEBI (Informal Guidance Scheme), 2003 in connection with SEBI (Investment Advisers) Regulations, 2013

We introduce ourselves as MarketMagnify Investment Adviser and Research Private Limited formerly known as MarketMagnify Global Research Pvt Ltd (hereinafter referred to as "Market Magnify" or "Company"). We are registered as an investment advisor. Our registration number is INA000001456.

The context of this letter is with respect to certain clarification and confirmation that we seek on the fees/charges for our services, whether we can or cannot charge to clients.

As stated under regulation 15(9) of SEBI (Investment Advisers) Regulation 2013, "An investment adviser shall abide by Code of Conduct as specified in Third Schedule". Third Schedule stating Code of Conduct for Investment Adviser under code of fair and reasonable charges states that "An investment adviser advising a client may charge fees, subject to any ceiling as may be specified by the Board, if any. The investment adviser shall ensure that fee charged to the clients is fair and reasonable".

We are currently working on a subscription based model only where the client pays for a specified duration of services and gets tips on stock or commodity market for that specified duration. This can be stated as a fixed fee model, fee is same irrespective of the performance of tips provided by us.

We propose to introduce a variable fee (profit sharing) model based on the performance of our services, we seek your clarification and confirmation of the following:

MarketMagnify Investment Adviser & Research Pvt. Ltd.

Regd. Office : 610, Vikas Lekha Complex, Scheme No. 44, Khatiwal Tank, Indore - 452 001 (M.P.)

Tel: 0731-6619100, Fax 0731-6619110

Branch Office : Plot No. 389-390, Scheme No. 54, PU-4, Behind Country-inn, Indore - 452 010 (M.P.)

Tel. 0731-6619231, Fax 0731-6619232

For Market Magnify Investment Adviser and Research Pvt. Ltd.

Abhinav

e-mail : info@marketmagnify.com Director



1. Can we charge variable fees (profit sharing) on post profit model?

Example:- Suppose we mutually agree with a client that we shall charge a sharing in the profits on weekly basis at the rate of say 35% of the net profit (Profit-Losses) earned during the week.

Else we shall not charge anything if the client is not in profits for the week and such loss shall be carried forward for the next week to be adjusted from profits of next week. Shall we be allowed enter in such terms.

2. If we can (post profit model), is it compulsory to enter into an agreement in writing or mentioning the terms in email shall be sufficient?
3. Can we charge variable fees (profit sharing) on prepaid model without fixed tenure?
Example:- Suppose we mutually agree with a client that we shall charge a sum of say Rs 10,000/- for services, such services shall be offered till client gets a profit of Rs 30,000/- as per the method of calculation mutually decided. Thus giving no restriction with regards to period of services but based on performance of the services. Shall we be allowed enter in such terms.
4. Can we charge variable fees (profit sharing) on prepaid model within fixed tenure?
Example:- Suppose we mutually agree with a client that we shall charge a sum of say Rs 10,000/- for services, such services shall be offered till client gets a profit of Rs 30,000/- within say 30 days as per the method of calculation mutually decided. Thereby ensuring timely performance of the services.
5. If we can (prepaid model within fixed tenure), can we also provide for refund of a certain proportion of fees charged in case of failure to provide specified profit within limited time frame thereby limiting our responsibility?
6. Would an investment advisor be responsible to make good losses incurred by client in case of fixed fee (subscription based) model? Assuming such losses is not caused due to negligence on the part of advisor but due to inherent market risks?

We are not offering any of these services at the moment; however the products have been developed based on the demand from the industry primarily clients who wish to pay only as a share from profits earned.

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Abhinav
Director



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As per the guidelines, a demand draft for Rs 25,000/- bearing no. 009701 drawn on HDFC Bank, Vijay Nagar Branch Indore dated 01-09-2016 in favor of Securities and Exchange Board of India towards fees for Informal Guidance is annexed hereto.

We shall be obliged if we receive a confirmation at the earliest. In case of any further query or information, we shall be glad to provide the same or appear personally to explain the same as you may deem fit.

For MarketMagnify Investment Adviser and Research Pvt. Ltd.

Thanking you,
Yours faithfully,

Abhinov
Director

For MarketMagnify Investment Adviser and Research Private Limited

Mr. Abhinov Upadhyay
Director

Encl: Demand Draft

MarketMagnify Investment Adviser & Research Pvt. Ltd.

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