

Info Capsule

INSTANT ACCESS FACILITY AND USE OF E-WALLET FOR INVESTMENT IN MUTUAL FUNDS¹

SEBI vide its circular dated May 8, 2017 issued guidelines on Instant Access Facility and Use of e-wallet for investment in Mutual Funds (MFs). Instant Access Facility (IAF) simplifies the credit of redemption proceeds in the bank account of the investor on the same day of redemption request. E- Wallet is an electronic device that allows an individual to make electronic transactions.

Guidelines about Instant Access Facility (IAF) in Mutual Funds

Mutual Funds (MFs)/Asset Management Companies (AMCs) may offer IAF subject to the following conditions:-

- It shall be allowed through online mode to resident individual investors only.
- The applicable Net Asset Value (NAV) shall be in case:
 - (a) where the IAF application is received up to 3.00 pm, then NAV of previous calendar day and NAV of calendar day on which application is received, whichever is lower;
 - (b) where the IAF application is received after 3.00 pm, then NAV of calendar day on which such application is received and NAV of the next calendar day, whichever is lower.
- MFs/AMCs can offer instant access facility of up to Rs 50,000 or 90% of folio value, whichever is lower, to resident individual investors in liquid schemes. This limit shall be applicable per day per scheme per investor.
- Liquidity has to be provided out of the available funds from the scheme and AMCs to put in place a mechanism to meet the liquidity/redemption demands.
- Appropriate disclosures in the scheme related documents about IAF and ensure that no mis-selling is done on the pretext of instant availability of funds to the investors.
- Appropriate disclosures shall be made to the investors stating the situations under which IAF may be suspended and that IAF request would be processed as a normal redemption request in such circumstances.
- Currently, any scheme providing this facility would reduce the limit to Rs 50,000, immediately and other than liquid schemes providing this facility would completely stop this facility within one month from the date of circular.

¹ Available at: [http : //www.sebi.gov.in/legal/circulars/may-2017/instant-access-facility-and-use-of-e-wallet-for-investment-in-mutual-funds_34830.html](http://www.sebi.gov.in/legal/circulars/may-2017/instant-access-facility-and-use-of-e-wallet-for-investment-in-mutual-funds_34830.html)

Guidelines about Use of e-wallet for investment in Mutual Funds

In order to promote digital payments in the MF industry and channelize household savings into the capital market. MFs/ AMCs can accept investment by an investor through e-wallets (Prepaid Payment Instruments (PPIs)) subject to the following:

- MFs/ AMCs shall ensure that extant regulations such as cut-off timings, time stamping, etc., are complied with for investment in MFs using e-wallets.
- MFs/ AMCs shall enter into an agreement / arrangement with issuers of PPIs for facilitating payment from e-wallets to MF schemes.
- Redemption proceeds should be made only to the bank account of the investor/ unit holder.
- MFs/ AMCs shall ensure that total subscription through e-wallets for an investor is restricted to INR 50,000/- per MF per financial year. Further, in partial modification by SEBI, the limit of INR 50,000/- would be an umbrella limit for investments by an investor through both e-wallet and/or cash, per MF per financial year.
- MFs/ AMCs shall ensure that e-wallet issuers shall not offer any incentives such as cashback, vouchers, etc., directly or indirectly for investing in MF schemes.
- MFs/ AMCs shall ensure that only amounts loaded into e-wallet through cash or debit card or net banking, can be used for subscription to MF schemes.
- MFs/ AMCs shall ensure that amount loaded into e-wallet through credit card, cash back, promotional scheme etc. should not be allowed for subscription to MF schemes.
- MFs/ AMCs shall also comply with the requirement of no third party payment norm for investment made using e-wallets.

INDIA UNANIMOUSLY ELECTED TO HEAD UN-HABITAT, THE UNITED NATIONS' HUMAN SETTLEMENTS PROGRAMME²

India has been unanimously elected as the President of the UN-Habitat, an organ of the United Nations' Organisation (UNO) that promotes socially and environmentally sustainable human settlements across the world, after 10 years. UN-Habitat reports to the United Nations General Assembly.

Shri M.Venkaiah Naidu will preside over the deliberations of the Governing Council of UN-Habitat for the next two years. Since the UN-Habitat came into being in 1978, It is only the third time that India has been elected to lead this important organization after 2007 and 1988.

As an inter-governmental policy making and decision making body, the Governing Council of UN-Habitat seeks to promote integral and comprehensive approach to human settlements, assist the countries and regions in addressing human settlement problems and strengthen cooperation among all countries on human settlement issue.

Shri Venkaiah Naidu thanked the member countries of the Governing Council of UN-Habitat for reposing faith in India and electing as the President of the Governing Council for the next two years.

² Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

Addressing the Governing Council of UN-Habitat, Shri Naidu has stressed on the need to reorient urban planning and execution strategies to ensure dignity of living and sufficient means of living for people in the context of rapid urbanization, particularly, in developing countries.

Shri Naidu elaborated on the integrated, inclusive and sustainable urban development model of India through various new missions like Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Smart City Mission, Swachh Bharat Mission and Pradhan Mantri Awas Yojana. He said these missions are addressing deficits in different kinds of infrastructure including affordable housing in a convergence mode.

Team ICSI

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