



FEBRUARY 2022

# NEWS LETTER

From Customer Care Desk

February 2022 "NEWS LETTER" with the latest communication, updates and other important points.

## LATEST COMMUNICATIONS AND UPDATES



### CHANGE IN INVESTMENT METHODOLOGY FOR **NJ PMS ETF PORTFOLIOS**

(Mail dated – 1st Feb 2022)

- ▶ It has been our constant endeavor to bring efficiency into the various investment approaches we offer to you by evolving our Rule-Based Active fund management process. As a part of this process, we would like to update you about a change that we are implementing in our ETF portfolios.
- ▶ As you are aware, we currently offer 3 ETF based Investment Approaches (IAs). These are
  1. Dynamic ETF Allocation Portfolio - Aggressive
  2. Dynamic ETF Allocation Portfolio - Conservative and
  3. Freedom ETF Portfolio
- ▶ All these IAs invest their domestic equity allocation in NIFTY 50 ETF, NIFTY Next 5 ETF and NIFTY Midcap 150 ETF in fixed proportions.
- ▶ Based on our goal of continuous improvement, we have been conducting extensive research on managing the allocation to the three ETFs dynamically to enhance performance. Based on this research, we have developed a methodology to select two of these three ETFs to invest in at every rebalancing event based on their relative valuations. Our analysis indicates superior risk-return characteristics for this approach which we believe will go a long way in increasing investor satisfaction.
- ▶ We will be undertaking a rebalancing of the three IAs mentioned above in line with the new methodology shortly.
- ▶ In this regard, we have sent a communication to all clients' as well. Thank you for your support and cooperation in our efforts to offer you the best service.

### ENHANCEMENT IN **NJ E WEALTH ACCOUNT REGISTRATION MODULE**

(Mail dated – 5th Feb 2022)

- ▶ Hope you are doing well, as you are aware that we have been continuously upgrading our services with respect to **NJ E-Wealth Account On-boarding** to provide our customers a seamless account opening experience without missing on any of the regulatory requirements. Our new version of NJ EWA has been wholeheartedly accepted by our customers and has enhanced our overall service and user experience.

- ▶ In line with the above, we wish to inform you that we are coming up with few updated features in the NJ E-Wealth Account registration process as mentioned below:
- **Non KYC Compliant Clients will now be required to input a Single OTP to E-sign as well as process KYC & open NJEWA.**
  - **KYC compliant clients will now get the option to update their UIDAI (Digilocker) address in KYC records.**
  - **Client shall have to provide a declaration for Mobile Number & Email id whether the details provided are of self or of any family member.**
  - **Partner will provide consent for address verification of their clients.**
- ▶ Below are some Important points for consideration while we deploy the new changes:
- **NJ E Wealth Account Entry Module will be unavailable from 10th Feb 2022 and 11th Feb 2022 for fresh entries. In Process applications can be edited till 11th Feb 2022 EOD.**
  - **All Pending NJEWA forms which are under process will be required to get completed including the E-signature process till 11th Feb 2022 EOD.**
  - **All NJEWA which are under process (requested, document awaited) status as on 11th Feb 2022 EOD shall be marked as auto rejected by the system & new entry shall have to be initiated once the new changes are deployed.**
  - **NJ E-Wealth Account Registration system along with new changes shall be made live for fresh entries on 12th Feb 2022 at 10:00 am.**
- ▶ We request you to take note of the above points and plan your NJEWA activations accordingly so as to avoid any further inconvenience.

## **GST COMMUNICATION - MISMATCH IN GST AMOUNT CLAIMED FROM NJ AND DETAILS PROVIDED IN GST RETURN FOR APR-DEC'21 PERIOD**

(Mail dated – 8th Feb 2022)

**Note: This communication is sent to impacted GST registered partners only.**

- ▶ As you would be aware that as per CGST Act 2017, every GST registered person has to file GST returns as per the timeline provided in the law. Further, Input Tax Credit is available to recipients once provided invoice details are reconciled with GSTR-2B. In this regard, NJ is having the following observations -
- The provisional GST amount disbursed to the partners has not been properly shown in GSTR-1 return. This is leading to mismatch between NJ's GSTR-2B & Invoice submitted by the partners which results into non availability of credit to NJ.
  - Further, there are cases where GST invoices have been submitted by the partners & received to NJ but the GST amount is not paid to them (As 3 months provisional payment is already made and those invoices details are still unreconciled with GSTR-2B).
- ▶ Below is the example for better understanding -

Invoice Date	Invoice Received to NJ	Partner Invoice match Status (with NJ's GSTR-2B)	GST Payment Status	Remarks
01/05/2021	Yes	No	GST Paid	1st Provisional Payment
01/06/2021	Yes	No	GST Paid	2nd Provisional Payment
01/07/2021	Yes	No	GST Paid	3rd Provisional Payment
01/08/2021	Yes	No	No	GST Payment will be done on match with GSTR-2B

- ▶ In view of above two observations, we request you to please update/correct the details of invoices in GST return (i.e. GSTR 1) or file the GST return if pending to be filed.

► **Important Notes:**

- This communication relates to invoices received to NJ dated April 2021 to December 2021 and GSTR-2B reconciliation with such invoices is performed as on 02/02/2022.
  - For your ready reference, kindly find the attached excel file where we have shown unreconciled invoices along with the reasons for mismatch & GST Payment status.
  - We request you to please review the attached file and arrange for the necessary correction steps.
- We request you to please take a note of the above points and do the needful on priority. For any assistance related to GST filing or correction/amendment is GSTR-1 return, we request you to consult your Tax advisor.

## TER CHANGE IMPACT IN BROKERAGE

(Mail dated – 10th Feb 2022)

- This is to inform you that TER of below mentioned schemes have been reduced by more than 10 bps.
- As the reduction in TER is more than 10 bps TER cut impact will be given in the immediate succeeding month. So W.E.F 1st February 22, existing rates on AUM mobilized upto 31st January 2022 will be reduced as per below table.

Scheme Name	Base Month#	Base month TER	Jan'22 TER	DIFF	Deduction impact in Payable
HDFC Large and Mid Cap Fund	Mar'21	1.95	1.78	-0.17	-0.09
ICICI Prudential Asset Allocator Fund (FOF)	Sept'21	1.14	1.04	-0.10	-0.05
ICICI Prudential Technology Fund	Aug'21	1.79	1.69	-0.10	-0.05
JM Arbitrage Fund	Apr'19	1.05	0.90	-0.15	-0.11
JM Income Fund	Sept'20	1.27	1.03	-0.24	-0.17
Mirae Asset ESG Sector Leaders Fund Of Fund	Nov'20	0.60	0.49	-0.11	-0.06
Mirae Asset S&P 500 TOP 50 ETF Fund of Fund	Sept'21	0.64	0.54	-0.10	-0.05
PGIM India Midcap Opportunities Fund	Sept'21	1.91	1.79	-0.12	-0.06
QUANT TAX PLAN	Nov'21	2.01	1.85	-0.16	-0.08
Sundaram Aggressive Hybrid Fund	Apr'19	1.98	1.85	-0.13	-0.07
Sundaram Balanced Advantage Fund	Apr'19	2.30	1.99	-0.31	-0.16
Sundaram Large and Midcap Fund	Sept'21	1.97	1.77	-0.20	-0.10
Sundaram Multi Cap Fund	Apr'19	2.15	1.97	-0.18	-0.09
Sundaram Short Duration Fund	Apr'19	1.06	0.92	-0.14	-0.10
Sundaram Tax Savings Fund	Sept'21	2.20	2.08	-0.12	-0.06
Tata Equity Savings Fund	Apr'19	2.12	1.50	-0.62	-0.31
Union Medium Duration Fund	Sept'20	0.95	0.59	-0.36	-0.26
Union Money Market Fund	Aug'21	0.95	0.76	-0.19	-0.13

#Base month = TER Comparison month(last TER cut impact given month)

## MINIMUM SUBSCRIPTION THRESHOLD FOR NRI INVESTORS REVISED FROM INR 2 CRORES TO INR 50LAKHS

(Mail dated – 16th Feb 2022)

- In April 2021, we had increased the minimum investment amount for NRI investors to INR 2 crores to reduce operational involvement. We are happy to inform you that we have been able to allocate more resources and streamline our internal processes even further to deliver efficiently and bring down the minimum investment amount to INR 50 lakhs.
- W.e.f. March 7, 2022, we will be accepting NRI applications for an amount starting INR 50 lakhs and above.
- Kindly check email to refer a detailed process flow with the TAT for NRI PMS account opening.

▶ **Key pointers to consider while submitting the NRI PMS application:**

We have created a dedicated email ID for NRI account opening application i.e. **NRIPMS@njgroup.in**. Kindly use this email ID for sending the scanned image of the NRI application.

The PIS/Investment account shall be opened with IndusInd Bank only and hence in case an investor already has an account with any other Bank, investors need to close the same before initiating the account opening process.

- ▶ We are convinced this new development will aid in garnering investments from a wider spectrum of investors.

## ADVANCE INTIMATION TO CLIENTS ON AUTHORIZED PERSON (AP) TERMINATION

(Mail dated – 17th Feb 2022)

**Note: This communication is sent to AP registered partners only.**

- ▶ This is with reference to the SEBI Circular no: MIRSD/DR-1/Cir-16/09 dated November 06, 2009 which states the requirement of sending advance intimation to all the underlying clients in case of termination of the Authorized Person with the Exchange. Further the circular also states that, the Termination of the AP can only be processed after the completion of 30 days from the day the advance notice is sent to the Clients.
- ▶ In Line with the SEBI circular, we shall be starting the process at our end for sending the intimation to the underlying clients of the AP in case of the termination. 30 days after such intimation is sent to the clients AP termination will be processed. Further, the email sent to the Client will be an information email as per the regulatory guidelines and no action will be required at the client's end.

## INTIMATION REGARDING FLUCTUATIONS IN ESIGN SERVICE

(Mail dated – 24th Feb 2022)

- ▶ We regret to inform you that since the last few days fluctuations are observed in the Esign Service due to which clients might be facing issues while doing esign during account opening. We have already escalated the same to respective entities and they are working on it to ensure smooth processing of Esign service.
- ▶ Request you to try after sometime, if any such minor fluctuations are observed.

## LAUNCH OF E-WEALTH MF

(Mail dated – 25th Feb 2022)

- ▶ It has always been our endeavor to provide value-based services to our NJ Wealth Partners on an ongoing basis. Over the past couple of years, we have worked aggressively on "**DIGITAL INITIATIVES**" to enhance our processes and overall efficiency. We also launched our revamped version of the NJ E-Wealth Account delivering a much-improved customer experience.
- ▶ We now take immense pleasure in unveiling a new, simpler version of NJ E-Wealth Account which is a very simple and cost-effective model that shall help you in acquiring new clients, easily and efficiently.

Presenting,

### **E-WEALTH – MF ACCOUNT**

#### **What does it mean?**

Transact in units of Mutual Funds through the Exchange platform  
Units held in **Non-Demat Mode** - No requirement of opening a Demat Account

#### **Key Benefits:**

**Simple** and **Quick** Account Opening Process  
100% Paperless - No Demat Account – Eliminating the need for POA and DIS

#### **ZERO AMC charges!!**

#### **Launch Date:**

**1st March 2022**

From this date, the investors will have the option to open either  
**NJ E-Wealth Account or E-Wealth MF Account**

## New Fee Structure

Account Type	CM Segment	Demat Account	Mutual Fund Units Mode	AMC Charge
E-Wealth MF	NA	NA	Non-Demat	FREE
E-Wealth	Yes	Yes (By Default)	Demat / Non-Demat	INR 300/- + applicable taxes
	No			

**Note:**

- E-Wealth MF account AMC charges for Non-Individuals shall also be FREE.
- E-Wealth AMC charges above are for Individual accounts. Non-Individuals AMC charge shall be applicable as per the prevailing fee structure.

**Existing NJ E-Wealth Account Clients:**

- NJ E-Wealth Account activated before 31-03-2022 shall be considered as Existing Accounts.
- All those accounts where the Capital Market segment is not active shall be given AMC waiver from 1st April 2022.
- For all the Existing E-Wealth Accounts there will be an option for AMC Waiver if the Capital Market Segment is de-activated within Six Months from 1st April 2022 to 30th September 2022.  
For Example: If the E-Wealth Activation date is 1st May 2017, the client will have to submit the Deactivation request before 31st May 2022. If the request is submitted after the above date, the AMC charges for the FY 2021-22 will be applicable.
- Mutual Fund Transactions for Existing Clients shall continue in Demat Mode.

▶ Refer email for demo video.

▶ A detailed presentation is already done on this. Video of the same will be shortly uploaded into the Digital library available on the Partner Desk for viewing. The FAQ is attached in email for your ready consumption.

## INTIMATION TO UPDATE - INCOME AND NET WORTH OF YOUR CLIENTS

(Mail dated – 28th Feb 2022)

- ▶ With Reference to the Bombay Stock Exchange (BSE) and National Stock Exchange(NSE) circular dated 3rd May 2021, it is required to update the latest Income details of clients under their E-Wealth Accounts once in a year.
- ▶ In line with that, we shall be sending communication to all clients to update their latest income and net worth in their E-Wealth Account. To update the Income and Net Worth details, please ask your clients to log in to **E-Wealth Account > My profile > Income and Net worth.**
- ▶ The Income & Net Worth details should be updated by 31st March, 2022 and if not updated by the given timeline then we will consider the current income updated in our records and the same will be updated on respective exchanges.
- ▶ Additionally, please note that clients can anytime update their income through the above path and the same will be updated on respective exchanges.

## IMPORTANT POINT TO REMEMBER

### POINTS TO TAKE CARE TO AVOID DEACTIVATION OF NJ E-WEALTH ACCOUNT

- ▶ It is our continuous endeavor to provide seamless service to E-Wealth clients. However the E-Wealth accounts may get deactivated due to various reasons such as Signature not properly uploaded / cropped during EWA registration, CKYC is not registered, KYC is not registered etc.
- ▶ Hence clients will not be able to login / transact in such deactivated NJ E-Wealth Account.
- ▶ **Below are the major reasons of deactivation and points to take care along with solutions for activating such NJ E-Wealth accounts.**

Reason of E-Wealth Deactivation	Reason	Points to Take Care / Solution if EWA is deactivated with respective reasons.
Issue in Specimen Signature	<ul style="list-style-type: none"> <li>• Signature not uploaded / cropped properly / Not clearly visible.</li> <li>• Signature of all the clients on blank page is not provided while opening NJ EWA</li> </ul>	<ul style="list-style-type: none"> <li>• Kindly upload / crop the clearly visible specimen signature for all clients.</li> <li>• If EWA is deactivated with such reason, clients need to submit duly filled and signed the E-Sign Declaration form along with copy of PAN card and submit the same to nearest NJ Branch.</li> <li>• Form is available on <b>Partner Desk &gt; Client Services &gt; Customer Care &gt; NJ Assist &gt; Download &gt; E-Wealth Opening Form &gt; E Sign Declaration form</b></li> </ul>
KYC is not registered	KYC details / documents provided during EWA registration is not proper or has been rejected.	<ul style="list-style-type: none"> <li>• Kindly ensure valid documents are provided during EWA Registration.</li> <li>• If EWA is deactivated with such reason, clients need submit duly filled and signed <b>Account Modification Form with KYC (CERSAI) form</b> along with a copy of PAN Card and Officially Valid Document (OVD) for address proof to nearest NJ branch.</li> </ul>
CKYC is not registered	In case of old EWA, such cases are found where CKYC is not registered yet.	<p>If EWA is deactivated with such reason, clients need to submit CKYC registration request. Details are below:</p> <ol style="list-style-type: none"> <li><b>1. Online Mode:</b> Partner &amp; Individual Clients can submit the CKYC registration request via Online Request Submission module available on both Partner desk &amp; E-Wealth desk. Authorization mode is E-Sign.</li> <li><b>2. Physical mode:</b> E-Wealth clients can also submit duly filled and signed CKYC form to nearest NJ branch along with a copy of any of the Officially Valid Document (OVD).</li> </ol>
Outstanding DP Charges	DP charges are not received within 90 days from bill generation date.	If EWA is deactivated with such reason, clients need to pay DP charges with cheque mode or UPI mode. Refer NJ Assist for detailed information.

- ▶ Once the above document / request is processed, E-Wealth account shall be activated within 2 working days.
- ▶ We hope these details will be helpful to you to activate the E-Wealth account, if deactivated.