

SEPTEMBER 2023

NEWS LETTER

From Customer Care Desk

September 2023 "NEWS LETTER" with the latest communication, updates and other important points.

LATEST COMMUNICATIONS AND UPDATES



IMPORTANT UPDATES AND FORM CHANGES:

(Mail dated – 1 st Sep 2023)

- ▶ We would like to inform you about certain developments and regulatory updates in NJ PMS that are enumerated below:
- ▶ **PMS Transactions and Form Updates:**
 - **PMS Application form:**
 - ▶ We have updated the PMS account opening form, in accordance with the recent revisions in UBO and NPO requirements within the Prevention of Money-laundering (Maintenance of Records) Amendment Rules, 2023.
 - ▶ As per regulatory mandate, kindly note the updated forms are mandatory to be used from September 1, 2023.
 - **Usage of CMS slip for "Cheque" mode transactions:**
 - ▶ Effective September 1, 2023, any amount received via cheque which has been directly deposited without using a CMS Cheque Deposition Slip will be refunded back to the source bank account within T+4 business day, where T being the date on which funds are received in NJ AMC account.
 - **Tax Status Modification update:**
 - ▶ For modifications in tax status amongst existing investors, please send their requests with the relevant documents by email to nripms@njgroup.in for further verification and processing.
 - ▶ These requests will be verified within T+4 business days from the date of receipt and processed within T+50 business days for RI to NRI modification cases and T+42 business days in NRI to RI modification cases after receipt of hard copies to the PMS team.
 - ▶ The additional 15 days will be required to update KYC records, in cases where the investor's KYC details are yet to update.
 - **Complete digital solution for Account Closures:**
 - ▶ Effective September 1, 2023, we are launching a complete digital solution for account closure for all Individual investors where requests for closure - including unit transfers, will be exclusively processed through the online mode, using Document Submission Utility.
 - ▶ We urge all existing PMS investors having an account opening date on or before December 31, 2020 to complete submission of one time consent/addendum, if pending, on or before December 31, 2023. We have already shared a list of these investors and parallelly sent monthly reminders to the investors whose consent is still pending.

▶ Other Updates and Regulatory matters:

- Investors are requested to update their mobile number in Aadhaar to submit online transactions using E-sign.
 - PMS investors can now verify and update their income/net worth and FATCA details using NJ PMS desk itself by accessing the path : **NJ PMS Desk > Admin > Client detail.**
 - Investors are requested to keep the Bank details updated in the PMS & Demat Accounts, even in cases involving bank mergers. In case the bank details are not updated, there may be a lag in dividend/redemption payments.
 - Please avoid filling forms with a pencil, as such applications may be subject to rejection.
- ▶ You are requested to use the latest version of all forms including the account opening application uploaded on the official website to avoid any inconvenience. Click here to download the latest forms.

CHANGES IN TIMINGS OF FUND TRANSFER & FUND WITHDRAWAL IN CAPITAL MARKET

(Mail dated – 1st Sep 2023)

- ▶ Pursuant to SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/84 dated June 08,2023 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/110 dated June 30,2023, we would like to inform you that w.e.f Sept 01,2023 Fund Transfer & Fund Withdrawal timing for the Capital Market segment will be as follows.
- Fund Transfer - 00:01 AM to 6:00 PM.*
 - Fund Withdrawal - 00:01 AM to 5:00 PM.*
- *Timing might be changed subject to guidelines issued by the regulators.
- ▶ Clients shall be able to transfer / withdraw funds only on exchange settlement days.
- ▶ Kindly take a note of the same and inform your clients accordingly.

IMPORTANT UPDATE - CONNECTING TO CUSTOMER CARE

(Mail dated – 1st Sep 2023)

- ▶ We have noticed that many of our esteemed partners are experiencing difficulty to connect at our Customer Care number since the last few weeks. This has resulted in increased call waiting time in connecting to the Customer Care executive.
- ▶ We are in the process of adding a few more receivers which is expected in a couple of months.
- ▶ We aim to connect with our partners for critical queries at earliest. For the same we seek your wholehearted support to maximize the usage of our online assistance tools for handy assistance, as mentioned below.
- NJ Assist
 - NJ Buddy & Whatsapp
 - Help Videos
 - Online Query posting modules
 - Monthly Newsletter
- ▶ We assure you that we are on top of this issue to resolve the Customer Care waiting period and our team is dedicatedly working to serve you in the best possible manner.
- ▶ We solicit your wholehearted support as always and we are sure that we shall be able to provide our partners the best of our services.

KYC VALIDATION OF NJ E-WEALTH ACCOUNTS

(Mail dated – 5th Sep 2023)

- ▶ With regards to our earlier communication on SEBI Circular no. SEBI/HO/MIRSD/DoP/P/CIR/2022/46 dated April 6,2022, the existing KYC records held with KRAs (KYC Registration Agency) need to be validated based on the criteria laid down by SEBI which includes email and mobile validation.
- ▶ In continuation to the above, the KRAs have already made an effort to validate email and mobile registered with KYC records, but the same could not be validated. Such E-Wealth accounts will have to be deactivated in compliance to the above referred circular and the list of affected clients is attached herewith for your ready reference.

▶ **The clients are required to do the following as applicable :**

1. If client's email and/or mobile (as per E-Wealth/E-Wealth MF Account) is the same which is registered with KYC records, then KRAs have already provided a facility wherein they can directly visit the KRA link (provided below) to enable validation of their KYC records.

CVL KRA NDML KRA KARVY KRA CAMS KRA Dotex KRA

2. If there is any change in client's email id and/or mobile number, then they need to submit an email and/or mobile number modification request along with duly filled and signed KYC Modification Form.

- ▶ Once the KYC validation activity is completed by the client, the account will be activated within 3-4 working days.
- ▶ Furthermore, we hereby inform you that we shall send a separate email communication to all your impacted clients. You are requested to assist your impacted clients to validate their KYC as per the process mentioned above in order to activate their E-Wealth/E-Wealth MF accounts and continue availing uninterrupted services.
- ▶ A communication was also sent to the impacted clients.

AWARENESS ON COMPLIANCES APPLICABLE TO MFDS

(Mail dated – 8th Sep 2023)

- ▶ As a law-abiding and respectful Mutual Fund Distributor, it is quite significant that you follow all guidelines to maintain the trust and integrity of our clients, organization and financial distribution industry.
- ▶ We would like to draw your attention to the following key provisions of the Code of Conduct and other circulars for your reference.
 - 1. Prohibition for usage of Nomenclatures:** It is essential to avoid using nomenclatures such as advisory, consultant, planner, wealth creator, portfolio manager etc. in all communications like email, website, signboard, marketing material, business card etc. unless you are registered with SEBI under concerned regulations. Using such terminologies without proper registration can mislead clients and is a violation of AMFI guidelines.
 - 2. Use of Marketing Material:** MFDs shall not design their own marketing materials in respect of any scheme and refrain from displaying the name, logo, mark of any AMC/NJ without the prior written approval of the such AMC/NJ. MFDs are advisable to use marketing material supplied by the AMCs in relation to particular Schemes.
 - 3. Renewal of ARN:** Please ensure that your ARN is renewed periodically as per AMFI guidelines. Failure to renew ARN within the stipulated time period can result in penalties and suspension/cancellation of ARN.
 - 4. Commission Passbacks:** MFDs shall not rebate or pass-back commission to investors. Do not attract investors by giving inducements like gifts, vouchers, etc. Such practices are strictly prohibited.
 - 5. Compliance with SEBI Guidelines:** MFDs shall always comply with all SEBI guidelines, circulars, and rules pertaining to distribution, selling, or advertisement practices.
 - 6. Display Name And Tagline:** Please display your name along with the AMFI-registered mutual fund distributor tagline in all forms of communication. This ensures that clients know that you are a registered distributor and promotes transparency and trust.
 - 7. Misrepresentation:** MFDs are advised NOT to represent NJ or any AMC on any social media platform or otherwise by creating profiles or giving recommendations/opinions etc. Creating any page in the name of NJ is strictly prohibited and can attract appropriate legal action.
- ▶ We urge you to review these important provisions of the AMFI Code of Conduct and comply with all applicable guidelines to ensure responsible and ethical business practices. Any deviation from these guidelines can result in disciplinary action by AMFI or SEBI.
- ▶ We have attached herewith AMFI Code of Conduct and Circular on nomenclature for your ready reference

GENTLE REMINDER-COMMON EMAIL ID / MOBILE NUMBER FOUND IN MORE THAN 6 E-WEALTH ACCOUNTS

(Mail dated – 8th Sep 2023)

- ▶ This is a reminder that KYC attributes of certain clients require your immediate attention wherein we found that a single email id and/or mobile number is registered in more than 6 E-Wealth accounts.
- ▶ The list of impacted clients who are registered under your Partner code was attached to a prior email communication that was made to you on July 14, 2023.

- ▶ In lieu of the above, we have also send the letters to the impacted clients on their registered address and below mentioned actionable is expected from clients end :
Update their unique and valid Email id/Mobile Number through E-Wealth Account -- Menu -- Help & Support -- Send Query on or before 10th September, 2023.
- ▶ Failing to do so, we will be obligated to deactivate the E-Wealth accounts and mark their demat account as "Frozen for debit" till the time of receipt of the unique and valid Email/Mobile Number.
- ▶ Please ignore the mail if the Email id/Mobile Number of the clients are already updated/modified.

TER CHANGE IMPACT IN BROKERAGE

(Mail dated – 13th Sep 2023)

- ▶ 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 September 2023, existing rates on AUM mobilized upto 31st August 2023 will be reduced as per below table.

Portfolio Scheme Name	Base TER#	Base Month TER	July'23 TER	Difference	Deduction impact in Payable
Bandhan Midcap Fund	Aug'22	2.28	2.16	-0.12	-0.060
Canara Robeco Mid Cap Fund	Mar'23	2.10	2.00	-0.10	-0.050
Edelweiss Aggressive Hybrid Fund	July'23	2.29	2.17	-0.12	-0.060
Edelweiss Government Securities Fund	April'19	1.25	1.09	-0.16	-0.112
Edelweiss Small Cap Fund	Mar'22	2.02	1.91	-0.11	-0.055
Motilal Oswal Midcap Fund	Mar'22	1.83	1.73	-0.10	-0.050
Parag Parikh Flexi Cap Fund	Mar'23	1.49	1.39	-0.10	-0.050

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

IMPORTANT CHANGES RELATED TO MANDATE REGISTRATION

(Mail dated – 15th Sep 2023)

- ▶ This is with reference to the NPCI circular number NPCI/2023-24/NACH/008 dated August 18, 2023 on Mandate duration and mandatory final collection date.
- ▶ It is mentioned in the circular that in order to bring in more robustness in the process, NPCI has decided to implement the following measures :
 - 1. Maximum period for which a mandate can be issued:** Mandate can be issued for a maximum duration of 30 years from the date of issuance.
 - 2. Final collection date (end date) to be made mandatory:** It has been decided to remove the option of "until canceled" for all categories of mandates, it will be mandatory to provide the end date for all categories of mandate.
- ▶ This is applicable for all forms of mandates (i.e. scan & eMandate) and will be made effective by NPCI from October 01, 2023.
- ▶ In order to avoid any rejection of mandates which are submitted to NJ prior to October 01, 2023 & sent to NPCI on or after October 01, 2023, we are going to implement the above mentioned changes in our Mandate registration system effective September 16, 2023. The mandate end date (30 years from start date) would be by default calculated & pre-filled which can be modified. The said changes will be applicable for all new Mandates including account opening.

REVISED ULTIMATE BENEFICIARY OWNER (UBO) DECLARATION FOR PARTNERSHIP FIRM AND TRUST

(Mail dated – 21st Sep 2023)

- ▶ With reference to recent amendments in the Prevention of Money-laundering (Maintenance of Records) Rules dated September 4, 2023, we wish to draw your attention to an important change as detailed below:
 1. The threshold to determine the Ultimate Beneficial Owner (UBO) for Partnership firms has been revised from 15% to 10%. Accordingly, in case of a partnership firm, an UBO is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of / entitlement to more than 10% of capital or profits of partnership or who exercises control through other means. For the purpose of this clause "control" shall include the right to control the management or policy decision.
 2. In case of Trust, status of all the trustees is to be submitted at the time of on-boarding and on-going transaction basis.
- ▶ Considering this regulatory requirement, we request you to update the information for your applicable investors by submitting the attached UBO declaration form duly filled and signed by the Authorized Signatories along with suitable supporting documents.
- ▶ We urge you to contact your existing investors immediately and assist them in completing this process latest by September 30, 2023 to avoid restriction/rejection of financial transactions, if any.
- ▶ The latest forms to comply with the recent changes in the Prevention of Money-laundering (Maintenance of Records) Amendment Rules, 2023 will be updated within a week. You are requested to always use the latest version of all forms, including the account opening application, from our NJ PMS official website to ensure a smooth process and to avoid any inconvenience.

INTRODUCTION OF ENHANCED SECURITY MEASURES ON PMS DESK

(Mail dated – 22nd Sep 2023)

- ▶ We would like to inform you about the introduction of enhanced cybersecurity measures, as per regulatory mandate for PMS investors, to access the PMS desk.
- ▶ Following security enhancements have been introduced to fortify the protection of investor's PMS account:
 1. Two-factor authentication (2FA) using One-Time Password (OTP):
 - At the time of login to the PMS desk, after inputting the password an additional layer of security has been implemented using OTP sent to the registered Email ID and Mobile Number of the investor.
 2. Account Lockout Feature:
 - In the event of six consecutive failed login attempts, the PMS account login will be automatically locked for a duration of 30 minutes.
 - During this period, a notification informing about the account lockout will be sent on the investor's registered Mobile number and Email ID.
 - Investor have the following two options:
 - Use "forgot password" functionality to generate new login credentials and use the same instantly.
 - Wait for cooldown period of 30 minutes and try logging in using existing correct credentials
 3. Password Change Reminder:
 - Investors are requested to update the password of the PMS desk at least once in 365 days. Investors will receive a notification to update their passwords once every 365 days from the last password change date.
- ▶ We trust these improvements will enhance investor's experience on safeguarding their accounts.

SYSTEM CHANGES & IMPACT ON EXISTING SIPS REGISTERED WITH TOP-UP FEATURE

(Mail dated – 26th Sep 2023)

- ▶ In regards to our earlier communication regarding the Temporary suspension of SIP top-up facility for Demat mode, we would like to inform you that we will be re-introducing the SIP Top-up facility with some new and exciting features very shortly.

- In lieu of above, we have made some changes in our internal SIP Top-Up system due to which existing SIPs (Demat) with Top-Up will have some negligible impact. Following table represents the difference between the existing & new process of SIP with top-up.

Existing Process	New Process
<ul style="list-style-type: none"> • Top up can be opted with “Half year” or “Yearly” frequency • At any given time there will be only 1 Live SIP available having latest amount (ie Parent + latest top up amount) • A new SIP is auto registered with a revised amount (i.e. adding top up amount to previous SIP) for another tenure which is opted by client i.e. 6 months or 12 months frequency. 	<ul style="list-style-type: none"> • Top up can be opted only for “Yearly” frequency. • The parent SIP would be registered with the actual end date (ie SIP tenure opted by client). Every year the Top up SIP (Child SIP) will be auto registered with the revised top up amount (i.e top up amount opted by client at the time of parent registration) for 12 months. • At any given time there will be 2 SIP (Parent SIP with original SIP amount till end date & Child SIP having latest top up amount for 12 months tenure)

► **Migration of the existing SIP having Top up to the new Process:**

- All existing SIP where the client had opted for Top-up during the registration of SIP will be marked as canceled.
- **Parent SIP:** We will re-register all these canceled SIPs in the system along with top up where the start date of the parent SIP will be of upcoming installment date (as per the date selected) and the end date will be the same as the original SIP end date (i.e. given at the time of registration).
- **Child SIP:** The new SIP will be registered which will be Child SIP & mapped to the above parent SIP. The Child SIP will be registered with the tenure of 12 months only having the latest top up amount. The SIP date of the child SIP will be identified based on the existing top up SIP. (“Half yearly” top up frequency will be converted to “Yearly” frequency & the child SIP start date will be August 2024)
- Top up SIP (Child) where minimum SIP amount is not fulfilled will not get registered. In such a case only the Parent SIP will be registered.

► **Let us understand the above points with an example.**

- For Eg. Client having an SIP of Rs. 10000/- with start date as 10/06/2022 and end date as 10/01/2028 with a Top-Up of Rs. 2000 every year.
- The last installment processed with Top-Up was for Rs. 12000 on 10/09/2023. Once the SIP will be marked as canceled as per the new process, the new SIP (Parent SIP) will be re-registered of Rs.12000/- with the start date as 10-10-2023 and end date will be 10/01/2028.
- A separate new SIP (Child SIP) i.e. Top-Up will be registered of Rs.2000/- with the start date as 10-10-2024 and end date will be 10/09/2025.
- So, now the client will have 2 SIPs registered, Parent SIP with Rs 12000/- and Child SIP of Rs.2000/- on the same date.
- Every year, a new Child SIP with the latest top up amount (Previous Child amount+Top up amount) will get registered until the Parent SIP end date (i.e. 4000, 6000, 8000 and so on).

► **With the new SIP Top-Up process, the half-yearly frequency in Top-Up SIP will be discontinued. Existing SIPs registered with half-yearly frequency will be migrated to yearly frequency.**

- We hope the above example would have given you a thorough understanding of the SIP Top-Up system changes.

NON-BUSINESS DAY FOR DEBT AND LIQUID FUNDS ON ACCOUNT OF EID-E-MILAD

(Mail dated – 27th Sep 2023)

- As informed by Exchange, please note that due to the bank holiday on 28th September 2023 on account of "Eid-e-Milad", following Mutual Fund transactions processing will be impacted.

Applicable NAV matrix for 28th September 2023 - Non business day and transaction acceptance on NJ E-Wealth Platform due to Eid-e-Milad

Transaction Type	Scheme Type	Transaction Submission Date	NAV applicability	Units Settlement/Fund Payout
Purchase/SIP/SWI/ STP	Equity	27th Sep 2023 (After cutoff) To 28th Sep 2023 (Before cutoff)	28th Sep 2023	29th Sep 2023
Purchase/SIP/SWI/ STP	Other than Equity	27th Sep 2023 (After cutoff) To 28th Sep 2023 (Before cutoff)	29th Sep 2023	03rd Sep 2023
Redemption/SWI/STP/ SWP	Equity	27th Sep 2023 (After cutoff) To 28th Sep 2023 (Before cutoff)	28th Sep 2023	As per Scheme TAT (i.e 03rd Sep)
Redemption/SWI/STP/ SWP	Other than Equity	27th Sep 2023 (After cutoff) To 28th Sep 2023 (Before cutoff)	29th Sep 2023	As per Scheme TAT (i.e 03rd Sep)

- ▶ **No redemption payout & units allotments will be done for any types of transactions on 28th September 2023.**

AWARENESS ON RECENT CIRCULARS ISSUED BY EXCHANGES FOR AUTHORIZED PERSONS (APS)

(Mail dated – 27th Sep 2023)

- ▶ **NOTE: This is only sent to the Partners registered as Authorized Persons**
- ▶ We would like to inform you that both National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) have recently issued circulars regarding Revision in fees applicable to Authorized Persons as per the below link:
BSECircular: <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230727-31>
NSE Circular : <https://archives.nseindia.com/content/circulars/COMP56947.pdf>
- ▶ The said circular talks about the introduction of AP Annual Maintenance Charges (AMC) in addition to revision in AP registration and AP cancellation fees.
- ▶ Below mentioned is the latest fee structure issued by the Exchanges for your ready reference:

Activity	Applicable Fees – NSE	Applicable fees – BSE
AP Registration	INR 5,000/- per segment	INR 4,000/- per segment
AP Cancellation	Nil	INR 1,000/- per segment
AP Annual Maintenance Charge (AMC)	INR 5,000/- for all segments	INR 4,000/- for all segments

- ▶ Furthermore, the APs are requested to take a note of the below mentioned points in additions to the above revised fee structure:
 1. Annual Maintenance Charge (AMC) will be applicable to all the registered APs across segments, as on March 31 of every year. The AMC will be levied from the financial year 2024-2025.
 2. NJ India Invest Private Limited (NJ) shall exercise adequate control and due diligence over the activities, conduct and transactions of the APs by conducting surprise and mandatory periodic audits with applicable fees and taking regular feedback from the clients of the APs. In case any anomaly is identified, NJ shall take necessary disciplinary actions against the concerned APs.

IMPORTANT COMMUNICATION - BAJAJ LAS - FLEXI LOAN RENEWAL CHARGES EFFECTIVE OCTOBER 2023

(Mail dated – 29th Sep 2023)

- ▶ This is to inform you that Bajaj Finance Limited will be charging renewal processing fees as mentioned below for all the renewals done effective October 2023.
- ▶ **Processing fees on renewal cases are:**
 - **Sanction amount upto Rs. 20 Lakhs : Renewal fees Rs 499 + 18% GST**
 - **Sanction amount above Rs. 20 Lakhs - Renewal fees Rs 999 + 18% GST**
- ▶ Renewal fees charged by Bajaj will reflect as an outstanding in client's SOA.
- ▶ You are requested to communicate the same to your clients.

REVISION IN MINIMUM SUBSCRIPTION THRESHOLD FOR NDPMS

(Mail dated – 29th Sep 2023)

- ▶ We are glad to update you about the revision in the minimum threshold amount for investment in Non-Discretionary Portfolio Management Services (NDPMS) to INR 5 Crores per account with immediate effect. All other aspects of our services remain unchanged.
- ▶ We are committed to serve you in the best possible way and look forward to your continued patronage and support.

IMPORTANT POINTS TO REMEMBER

ACTIONS REQUIRED TO ACTIVATE AN 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 KYC not validated, PAN Aadhaar is not linked, Signature not properly uploaded / cropped during EWA registration / Client Signature is not visible properly / Client Wet Signature require on blank page, etc.
- ▶ The utility for checking the deactivation reason has been made available in the partner desk appended path: **Partner desk >> Home Page >> Client section >> Deactivated EWA.**

MAJOR DEACTIVATION REASONS	ACTIONS / POINTS TO TAKE CARE
KYC not Validated	<ul style="list-style-type: none">▶ KYC can be validated by following appended link- CVL KRA, NDML KRA, KARVY KRA, CAMS KRA, Dotex KRA▶ If there is any change in client's email id and/or mobile number in KYC records, then client need to submit an email and/or mobile number modification request along with duly filled and signed KYC Modification Form.▶ Once the KYC validation activity is completed by the client, the account will be activated within 3-4 working days.
PAN and Aadhar Not Linked	<ul style="list-style-type: none">▶ PAN-AADHAAR can be linked by visiting appended link: https://www.incometax.gov.in/iec/foportal/help/how-to-link-aadhaar.▶ Kindly inform investors to link the same for smooth processing of transactions.
DP Charges (AMC- Annual Maintenance Charges)	<ul style="list-style-type: none">▶ Ensure OTHER SEGMENT mandate is registered in E-Wealth account for smooth collection of charges.▶ Incase of non-registration of Other mandate or rejection of payment collection, client can pay the DP charges through UPI payment mode and Cheque payment mode too.▶ Cheque should be submitted at the nearest NJ Branch in favor of NJ India Invest Pvt. Ltd.

- ▶ All above mentioned status can be instantly checked from **NJ Buddy (Your 24X7 companion)**.
- ▶ Hope the above information will help you in activating the E-Wealth account smoothly.

For Process Related information, Please take help of the NJ Assist.