



Name of Distributor : \_\_\_\_\_

<u>ARN:</u> _____	<u>SEBI Registration Number for NSEIL:</u> _____ <i>(Copy attached)</i>	<u>SEBI Registration Number for BSE:</u> _____ <i>(Copy attached)</i>
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**ADDENDUM TO THE TERMS AND CONDITIONS OF THE DISTRIBUTOR EMPANELMENT FORM**

**ROLE/OBLIGATIONS OF THE DISTRIBUTOR FOR TRANSACTING ON MFSS/BSE STAR MF**

Securities Exchange Board of India (**SEBI**) vide circular SEBI/IMD/CIR No. 11/ 183204/2009 dated November 13, 2009 has issued guidelines for facilitating transaction in mutual fund schemes through the Stock Exchange infrastructure. In view of the above, The National Stock Exchange of India Ltd. (**NSEIL**) has introduced New Mutual Fund Service System (**MFSS**) and The Bombay Stock Exchange India Limited (**BSE**) has launched the Bombay Stock Exchange Platform for Allotment and Redemption of Mutual Fund units (**BSE StAR MF**) for trading of mutual fund schemes through NSEIL and BSE respectively.

MFSS and BSE StAR MF shall mean a facility whereby the Distributor can buy/redeem units of Eligible Schemes of HDFC Mutual Fund (as defined vide Addendum dated December 3, 2009) using network, order collection, clearing and settlement mechanism adopted by NSEIL and BSE in order to facilitate such activities through National Securities Clearing Corporation Limited (**NSCCL**) and Indian Clearing Corporation Limited (**ICCL**) respectively.

The Distributor would be allowed to distribute the Eligible Schemes of HDFC Mutual Fund through MFSS and BSE StAR MF, provided the Distributor represents, agrees and confirms to HDFC Asset Management Company (**HDFC AMC**) the following:

1) The Distributor is a trading member on NSEIL and holds a valid SEBI Registration Number for NSEIL (as mentioned hereinabove and copy enclosed herewith) and a trading member on BSE and holds a valid SEBI Registration Number for BSE (as mentioned hereinabove and copy enclosed herewith). The Distributor confirms that it has obtained all necessary approvals, registrations and certifications required from relevant authorities for the purpose of participating in the MFSS/BSE StAR MF facility and confirms that such approvals registrations and certifications shall remain in force including by taking prompt steps for the renewal of the same. The Distributor agrees to submit to HDFC AMC all such approvals/authorizations as above as and when required by HDFC AMC.

2) The Distributor will abide by the terms and conditions as mentioned in the Circulars and Operating Guidelines issued by NSEIL vide circular no NSE/MFSS/003/2009 dated November 24, 2009 and BSE vide circular No. 20091202-3 dated December 2, 2009 and any other circulars issued in this regard from time to time with regard to MFSS by NSEIL and BSE StAR MF by BSE.

3) The Distributor will comply with SEBI Circular no. SEBI/IMD/CIR/No.4/168230/09 dated June 30, 2009 and such other circulars as may be issued from time to time and disclose to the clients all the commissions (in the form of trail commission or any other mode) payable to the Distributor for the different competing schemes of various mutual funds from amongst which, the relevant scheme is recommended to the clients.

4) The Distributor shall ensure that the clients who wish to transact on MFSS/ BSE StAR MF are registered as per the terms and conditions specified by BSE/NSEIL from time to time.

5) The Distributor shall comply with the provisions as stated in the Deed of Undertaking furnished to NSEIL/BSE, terms and conditions of the Eligible Schemes of HDFC Mutual Fund as detailed in the Scheme Information Document (SID) and Statement of Additional Information (SAI), Addendum issued by HDFC AMC for transacting on MFSS and BSE StAR MF and/or any other addenda that may be issued by HDFC AMC in respect of the Eligible Schemes of HDFC Mutual from time to time.

6) On receipt of an application for redemption from the Unitholder, the Distributor shall verify the genuineness of the Unitholder including verification of the signature of the Unitholder from the original PAN of such Unitholder and any other document as may deemed fit for the purposes of verification. The Distributor acknowledges that on the basis of the said verification and online feed on NSEIL and BSE Platforms, HDFC AMC/Authorised Registrar shall process the redemption request and make the payment to the Unitholder without making any further verification. The Distributor agrees to indemnify HDFC AMC for all claims, costs, charges etc that may be suffered or incurred by HDFC AMC on account of any fraudulent, erroneous, negligent transaction request(s) (viz., purchase/redemption) that may be forwarded by the Distributor to NSEIL/BSE and received by HDFC AMC from NSEIL/BSE website.



7) An application for purchase/additional purchase without the details relating to PAN (requirement of PAN as detailed above), bank account details and such other regulatory requirement(s), as applicable, will not be accepted and such applications shall be rejected by the Distributor. The Distributor undertakes to correctly quote the PAN of the clients in all cases and agrees to be liable for the same. Any transaction submitted for which validation of PAN proof is required but is not provided by the Distributor, will be rejected by HDFC AMC/Authorized Registrar.

8) The Distributor shall submit only such transaction requests that are valid in all respects including completeness of the attendant documents as may be required by HDFC AMC/NSEIL/BSE. The Distributor acknowledges that any transaction request, in respect of which any data is missing/lacking shall be liable to be rejected by HDFC AMC/Authorised Registered at its sole discretion.

9) Any request or order for subscription to the units of the Eligible Schemes of HDFC Mutual Fund shall be subject to the final acceptance by HDFC AMC in accordance with the relevant SID/SAI of the respective Eligible Schemes and in accordance NSEIL and BSE circulars issued in this regard.

10) The Distributor will ensure compliance with all applicable laws, regulations in respect of Know Your Customer (**KYC**) & Prevention of Money Laundering as applicable to the Distributor as intermediaries and shall maintain and retain records of its clients as per the provisions of Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (**PMLA**) and SEBI circulars/guidelines issued thereto.

11) In an event the credit of the subscription amount is not received by the Distributor from the clients due to any reason whatsoever and units have been redeemed by the clients, HDFC AMC, NSEIL/NSCCL and BSE/ICCL shall not be liable or responsible for any loss that may be suffered by the Distributor due to such non receipt of subscription amount from the clients.

12) Once the intimation and or subscription amount is received by HDFC AMC/Authorised Registrar for transaction in the units of the Eligible Schemes of HDFC Mutual Fund, such intimation shall be final and cannot be modified by the Distributor.

13) In an event of termination of the arrangement between HDFC AMC and NSEIL/ NSCCL and/or between HDFC AMC and BSE/ICCL and/or suspension/cancellation order issued by SEBI against the Distributor, the Distributor's empanelment with HDFC AMC in respect of MFSS/BSE StAR MF shall stand terminated forthwith without prior notice.

14) HDFC AMC shall not be liable for any losses, damages etc that may be incurred/suffered by the clients on account of any failure of computer systems, telecommunication network and other equipments installed at the office premises of the Distributor and/or any misuse, mishandling, damage, loss, defect etc of the same.

15) The Distributor confirms that all the other terms and conditions including the data/details furnished by the Distributor in the Distributor Empanelment Form executed by the Distributor shall remain in full force and effect and shall be applicable *mutatis mutandis* to this Addendum.

I/We hereby agree to abide by the above-mentioned terms and conditions.

Signature of the Distributor : \_\_\_\_\_

Name of Distributor : \_\_\_\_\_

Date : \_\_\_\_\_

Place : \_\_\_\_\_