



**CIRCULAR**

Cir / IMD / DF / 5 / 2010

June 24 , 2010

**All Mutual Funds, Asset Management Companies (AMCs)**

Sir/Madam,

**Sub: Certification Programme for sale and/ or distribution of mutual fund products**

1. In terms of SEBI Circulars dated September 25, 2001, November 28, 2002, April 03, 2003 and February 04, 2004 about, *inter alia*, the captioned subject, agents/ distributors of mutual fund units were required to obtain certification from the Association of Mutual Funds in India (AMFI) by passing a certification examination, and to obtain registration with AMFI.
2. In terms of SEBI notification No. LAD-NRO/GN/2010-11/09/6422 dated May 31, 2010, under regulation 3 (1) of the (Certification of Associated Persons in the Securities Markets) Regulations, 2007, (Certification Regulations) it has been decided that from June 01, 2010, the certification examination for distributors, agents or any other persons employed or engaged or to be employed or engaged in the sale and/or distribution of mutual fund products, would be conducted by the National Institute of Securities Markets (NISM). A copy of the notification is attached.
3. Under the existing instructions, the agent/ distributor was exempted from the AMFI certification examination if he had completed fifty years of age and had at least five years of experience in distribution of mutual fund units. As per regulation 4 (3) of the Certification Regulations, persons who have attained the age of fifty years or who have at least ten years experience in the securities markets in the sale and/ or distribution of mutual fund products as on May 31, 2010, will be given the option of obtaining the certification either by passing the NISM certification examination or qualifying for Continuing Professional Education (CPE) by obtaining such classroom credits as may be specified by NISM from time to time.
4. The Certification Regulations require the persons referred to in para 2 above to comply with the requirements for CPE as specified by NISM within the validity period of the certificate obtained by passing the certification examination. However, to facilitate the transition process from AMFI to NISM, it has been decided that a person holding a valid AMFI certification whose validity expires between June 01, 2010 and December 31, 2010, would be required to comply with the CPE requirements as laid down by NISM under the relevant clauses of the Certification Regulations, by December 31, 2010.



**भारतीय प्रतिभूति और विनिमय बोर्ड**  
**Securities and Exchange Board of India**

5. An associated person holding a valid AMFI/NISM certification whose validity expires anytime after December 31, 2010, would be required to comply with the CPE requirements as laid down by NISM under the relevant clauses of the Certification Regulations, prior to the expiry of the validity of the certification.
6. The SEBI Circulars mentioned in Para 1 stand modified to the above extent.
7. The requirement of obtaining registration from AMFI after obtaining certification, as per the Circular dated November 28, 2002, would continue.
8. This Circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of the SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

**Asha Shetty**  
**Deputy General Manager**  
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**Encl: SEBI notification No. LAD-NRO/GN/2010-11/09/6422**

**THE GAZETTE OF INDIA**  
**EXTRAORDINARY**  
**PART - III - SECTION 4**  
**PUBLISHED BY AUTHORITY**  
**NEW DELHI, MAY 31, 2010**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**NOTIFICATION**  
**Mumbai, the 31st May, 2010**

**Notification under regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007.**

In terms of sub-regulation (1) of regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007 (the Regulations), the Board is empowered to require, by notification, any category of associated persons as defined in the Regulations to obtain requisite certification.

Accordingly, it is notified that with effect from June 01, 2010, the following category of associated persons, i.e., distributors, agents or any persons employed or engaged or to be employed or engaged in the sale and/or distribution of mutual fund products, shall be required to have a valid certification from the National Institute of Securities Markets (NISM) by passing the certification examination as mentioned in the NISM communiqué NISM/Certification/Series-V-A: MFD/2010/01 dated May 05, 2010.

Provided that if the said associated person possesses a valid certificate by passing before June 01, 2010, the AMFI Mutual Fund (Advisors) Module, he shall be exempted from the requirement of the aforementioned NISM certification examination.

**LAD-NRO/GN/2010-11/09/6422**

**C. B. BHAVE**  
**CHAIRMAN**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**