

Third Party Products Selling Policy
(Wealth Management Services)
2025-26



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I. INTRODUCTION

“Wealth Management Services (WMS)” refers to the marketing and distribution of Third-Party Products, including the selling of Insurance products, Mutual Fund units, Credit Cards, and other such offerings on a purely referral basis, without any risk participation by the Bank (Gujarat Gramin Bank).

Third Party Products play a crucial role in providing a comprehensive banking experience to our customers by addressing their needs for wealth generation, diversification, and protection. We distribute a wide range of Insurance products of reputed financial institutions, including Life Insurance, General Insurance, Health Insurance, mutual fund investment solutions, and Credit Cards.

To strengthen the Bank’s financial position, it is essential to supplement our primary interest income with additional non-interest income. Cross-selling of third-party products enables the Bank to enhance non-interest income without incurring substantial additional expenditure, while efficiently leveraging existing manpower and infrastructure. Consequently, the marketing of Insurance, Mutual Funds, Credit Cards, and similar products plays a vital role in sustaining and improving overall profitability.

The Reserve Bank of India (RBI) vide its circular no RBI/DoR/2025-26/248 DoR.AUT.REC.No.167/24-01-041/2025-26 dated 28.11.2025 clarified that RRBs are not required to obtain prior approval of RBI for undertaking Corporate Agency based business for distribution of insurance products and Mutual Funds Product Distribution without risk participation. However, the Bank must submit a report to the concerned Regional Office of RBI within 15 days from the commencement of insurance agency business.

Similarly, for mutual fund distribution, the Bank shall report the details of the tie-up—along with a copy of the executed agreement—to the concerned Regional Office of RBI within 10 days from entering into the arrangement.

II. PURPOSE AND OBJECTIVES

The purpose of this Policy is to establish a comprehensive framework for the Bank’s cross-selling activities of third-party products (Wealth Management Services), including the solicitation and servicing of insurance and other financial offerings. It aims to define a clear and robust operational, supervisory, and governance structure to ensure that all related activities are conducted in a compliant, transparent, ethical, and customer-centric manner.

This Policy further seeks to:

- To ensure fair, transparent, and non-misleading sales practices.
- To protect the interests of customers and avoid mis-selling.
- To ensure compliance with all relevant regulatory requirements.
- To achieve non-interest income growth through responsible cross-selling.
- To enhance customer choice by offering suitable financial and protection products.

III. SCOPE

This Policy applies to all employees, Departments, Branches, Regional Offices, Digital Channels, and Contractual Arrangements of the Gujarat Gramin Bank (Bank) involved in the marketing, solicitation, distribution, or servicing of third-party financial products. It governs the Bank’s dealings in Life, General and Health Insurance, Mutual Funds, and Credit Cards distributed on a referral basis.



The Bank shall distribute third-party products strictly under agency or referral models without any risk participation, focusing only on simple, high-quality offerings suitable for our Bank's customers. The Bank's role shall remain limited to providing product information—such as key features, charges, terms, and commissions received from regulated partners (Insurers, AMCs, and Card Issuers) and facilitating customer access through branch or digital channels. Under no circumstances shall restrictive practices, forced selling, or linking of banking services to the purchase of third-party products be permitted.

Company selection for Insurance, Mutual Funds, and Credit Cards shall follow due-diligence parameters such as product range, service capability, financial strength, and manpower support, with Board approval for empanelment. All marketing materials shall be provided by the respective company as per regulatory guidelines. The Bank shall not levy any service charges for third-party products on customers; income shall accrue solely as commission from companies. Processes shall define roles and responsibilities for all involved in this third party product selling and customer payments shall preferably be accepted through non-cash modes, except where regulators permit cash transactions.

IV. INSURANCE BUSINESS

1. Definitions as per IRDAI Regulations 2015

- a. "Act" means the Insurance Act, 1938 (4 of 1938), as amended from time to time
- b. "Approved Institution" means any institution engaged in education and/or training particularly in the area of insurance sales, service and marketing, approved and notified by the Authority from time to time, and includes Insurance Institute of India, Mumbai.
- c. "Authority" means the Insurance Regulatory and Development Authority of India established under the provisions of Section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999).
- d. "Corporate Agent" means any applicant specified in clause (b) of Regulations holds a valid certificate of registration issued by the Authority for solicitation and servicing of insurance business for any of the specified category of life, general and health.
- e. "Corporate Agent (Composite)" means a corporate agent who holds a valid certificate of registration to act as such, issued by the Authority under regulations, for solicitation and procurement of insurance business for life insurers, general insurers and health insurers or combination of any two or all the three.
- f. "Examination Body" for the purpose of this policy as specified in the Regulation is Insurance Institute of India, Mumbai or any other body approved and notified by the Authority for conducting certification examination for principal officer and specified persons of the corporate agents.
- g. "Fit and Proper" is the criteria for determining the suitability for registering an Applicant including his principal officer, directors or partners or any other employees to act as Corporate Agent'.
- h. "Principal Officer" of a Corporate Agent means a director or a partner or any officer or employee so designated by it, and approved by the Authority, exclusively appointed to supervise the activities of Corporate Agent and who possesses the requisite qualifications and practical training and has passed examination as required under Regulations.
- i. "Registration" means a certificate of registration to act as a corporate agent issued under regulations.
- j. "Regulations" means Insurance Regulatory and Development Authority of India (Registration of Corporate Agent) Regulations, 2015.



- k. "Specified Person" means an employee of a Corporate Agent who is responsible for soliciting and procuring insurance business on behalf of a corporate agent and shall have fulfilled the requirements of qualification, training and passing of examination as specified in regulations.

2. Insurance Business as Corporate Agent (Without Risk Participation)

The Bank has entered into agreements with insurance companies under the Corporate Agency model, without any risk participation, for the distribution of all categories of insurance products, including Life, General, and Health Insurance.

- a. Bank shall comply with the Insurance Regulatory and Development Authority of India (IRDAI) regulations for acting as 'composite corporate agent'.
- b. Bank shall not adopt any restrictive practice of forcing its customers to purchase insurance products of a particular insurance company in respect of assets financed by it. The customers should be allowed to exercise their own choice.
- c. The risks, if any, arising from insurance business shall not be get transferred to the business of the RRB.
- d. The participation of customers in insurance products shall be purely on a voluntary basis. Bank shall clearly state this in all publicity material distributed by them, in a prominent manner. There should be no 'linkage' either direct or indirect between the provision of banking services offered by the Bank to its customers and use of the insurance products.
- e. Bank shall undertake insurance business on a referral basis, without any risk participation through its network of branches.

3. Compliance Framework for Corporate Agency–Based Referral Arrangements

'Referral Services/Arrangement' means the arrangement between the Bank and a third party financial product provider, for referring the customers of the bank to the third party financial product provider.

Under the referral arrangement, Bank shall provide physical infrastructure within its branch premises to insurance companies for selling their insurance products to the Bank's customers with adequate disclosure and transparency, and in turn earn referral fees on the basis of premium collected. In this regard, the Bank shall adhere to the following:

- a. Bank shall comply with the relevant IRDAI regulations applicable to referral arrangements with insurance companies.
- b. The Board shall pass a resolution approving undertaking insurance business as a corporate agent without risk participation.
- c. The Bank shall, in addition to complying with IRDAI regulations, execute a formal agreement with the concerned insurance company permitting use of Bank premises and infrastructure.
- d. The initial agreement shall be for a period not exceeding three (3) years, with the Bank retaining discretion to renegotiate the terms based on service performance or enter into a new agreement after the initial period.
- e. Upon completion of the initial period, an Bank shall enter into a longer term contract subject to Board approval.
- f. Participation of customers of the Bank in insurance products shall be purely voluntary. This must be clearly stated in all promotional and publicity material issued by it. There shall be no direct or indirect linkage between the provision of banking services and the availing of insurance products.



- g. Any risk associated with the referral arrangement shall not be transferred to the business of the Bank

4. Insurance Arrangements

In compliance with the IRDAI (Registration of Corporate Agents) Regulations, the Bank, in its capacity as a Corporate Agent, has adopted and is implementing the philosophy of Open Architecture for the solicitation and servicing of insurance products. Accordingly, the Bank has presently entered into tie-up arrangements with IndiaFirst Life Ins. Co. Ltd. and SBI Life Ins. Co. Ltd. for the Life Insurance segment; ICICI Lombard General Ins. Co. Ltd., Cholamandalam MS General Ins. Co. Ltd., Reliance General Ins. Co. Ltd. (Now IndusInd General Ins. Co. Ltd), and SBI General Ins. Co. Ltd. for the General Insurance segment; and Care Health Ins. Co. Ltd. and Star Health and Allied Ins. Co. Ltd. for the Health Insurance segment. As per IRDAI (Registration of Corporate Agents) Regulations, 2015 (amended upto 05.12.2022) for the purpose of soliciting, procuring and servicing of insurance business of life insurers, general insurers and health insurers during the validity of certificate of registration is as follows.

- a. A Corporate Agent (Life), may have arrangements with a maximum of nine life insurers to solicit, procure and service their insurance products.
- b. A Corporate Agent (General), may have arrangements with a maximum of nine general insurers to solicit, procure and service their insurance products. Further, the Corporate Agent (General) shall solicit, procure and service retail lines of general insurance products and commercial lines of such insurers having a total sum insured not exceeding rupees five crores per risk for all insurances combined.
- c. A Corporate Agent (Health), may have arrangements with a maximum of nine health insurers to solicit, procure and service their insurance products.
- d. In the case of Corporate Agent (Composite), the conditions as specified in clauses (a) to (c) shall apply provided that a Corporate Agent (Composite) may have arrangements with insurers in excess of the ceilings prescribed in (a), (b) and (c), subject to the condition that the total number of arrangements with life, general and health insurers, shall not exceed twenty-seven at any point of time.

5. Criteria for Finalizing Insurance Tie Ups

The Bank aims to leverage the open architecture framework to partner with reputed, customer-centric Life, General, and Health Insurers through a competitive and transparent Request for Proposal(RFP). These Tie Ups will support the Bank in offering a broad portfolio of insurance solutions to both existing and new customers while maintaining transparency, compliance, and customer interest as paramount.

The Bank shall evaluate and select insurers based on the following key parameters:

- a. Experience in Bancassurance, (RRBs, Nationalised Bank or other FI)
- b. Insurers specializing in different segments of products and catering to the needs of this wide customer base would be ideal for Tie Ups.
- c. Brand value and market reputation of the insurance companies.
- d. Experience in designing and managing products catering to the needs of the bank's customer base.
- e. Penetration level and geographical presence of the insurer across the operational area of the bank i.e. number of points of presence, number of representatives deployed/to be deployed in districts.
- f. Persistency Ratio, Claims Settlement Ratio and Complaints / Grievance Redressal Record.
- g. Strength of IT systems, digital integration capabilities, and operational support.



6. Structure of Distribution Agreements

Each agreement with an insurer shall include, at minimum, the following elements:

- a. Duties and responsibilities of the Bank toward policyholders, including solicitation, documentation, customer assistance, and grievance support.
- b. Duties and responsibilities of the insurer, including underwriting, policy issuance, servicing, and claims management.
- c. Terms and conditions governing renewal, modification, or termination of the arrangement.
- d. Service-level expectations, compliance commitments, operational processes, and reporting requirements.

7. Termination of Arrangements

In case a corporate agent wishes to terminate arrangement with any insurer, they may do so after informing the insurer and the Authority, the reasons for termination of arrangement. In such cases, they shall ensure that the policies solicited and placed with the insurer are serviced till the expiry of policies, or for a period of six months, whichever is earlier within which time they shall make suitable arrangements with the concerned insurer.

In the event of termination, customers shall continue to receive servicing support through the Bank's Branches, Region Office and Head Office⁵⁴ in coordination with the outgoing insurer.

In case an insurer wishes to terminate the arrangement with any corporate agent, they may do so after informing the Bank and the Authority (IRDAI), the reasons for termination of arrangement. In such cases, the concerned insurer shall take the responsibility of servicing the policies procured by the Bank. In all such cases, the insurer shall inform the policyholder concerned of the changes made in servicing arrangements

The Authority (IRDA) may, at any point in time, direct any insurer or Corporate Agent (Bank) to terminate the distribution arrangements by recording the reasons there for.

8. Prohibited Practices

- a. No insurer shall pay, and the Bank shall not solicit or receive, any signing fee or other prohibited consideration for entering into or continuing a Corporate Agency arrangement.
- b. Insurers shall not pay any cash or non-cash incentives, directly or indirectly, to the Principal Officer, Specified Persons, or any employees of the Bank.
- c. Participation of the Bank's customers in insurance products shall be strictly voluntary.
- d. There shall be no direct or indirect linkage between the provision of banking services and the purchase of insurance products.
- e. The Bank shall not adopt any restrictive or coercive practices, including forcing or compelling customers to purchase insurance products of a particular insurer, especially in respect of assets financed by the Bank. Customers shall be free to choose any insurer of their preference.

9. Appointment of Principal Officer

- a. The Bank shall appoint a Principal Officer possessing the required qualifications, practical training, and certification mandated by IRDAI.
- b. A Principal Officer shall be appointed with due approval of Board to look after Insurance Business under Corporate Agency.



- c. The Principal Officer shall oversee, control, manage, and supervise all insurance-related activities of the Bank as a Corporate Agent.

10. Specified Person (SP)

“Specified Person” means an employee of a Corporate Agent who is responsible for soliciting and procuring insurance business on behalf of a Corporate Agent and shall have fulfilled the requirements of qualification, training and passing of examination as specified in IRDAI regulations.

A Specified Person can work for all the insurer/s with whom Corporate Agent has tie-up arrangement/s with, provided the Specified Person has certificate for the respective line of business (Life/General/Health). Specified Person (SP) having certificate to act as SP for Life business can work for life insurers only with whom Corporate Agent is tied up while Specified Person holding a valid certificate of registration as Specified Person (Composite)” can work for solicitation and procurement of insurance business for life insurers, general insurers and health insurers or combination of any two or all three insurers.

The Corporate Agent shall identify and appoint reasonable number of Specified Persons to solicit and procure insurance policies commensurate with its resources.

11. The Business Mix and Type of Products

The bank is engaged in the core business of banking and other para banking activities. Insurance business is one of the para banking activities which shall be monitored by a Wealth Manager Service (WMS) Department. Business income from this activity shall be separately shown in the books of accounts through disclosures in notes on accounts.

The Bank shall offer and distribute the following categories of insurance products to its customers, in accordance with applicable IRDAI regulations and the terms of its corporate agency arrangements.

Category of Business	Type of Products
Life	Investment Plans like endowment, Term Insurance Plans, Whole Life Insurance Plans, Unit Linked Plans, Money Back Plans, Annuity Plans, Pension Plans, Micro Insurance Plans, Loan Protection Plans etc. and a selection of various Riders attachable to the policies. (both Individual and Group, Credit Life Products). Moreover, The bank shall sell all Insurance plan approved by IRDAI
General	Fire, Marine, Engineering, Liability, Motors, Shopkeeper, Cattle, Home, Building Structure, Burglary & Theft, Aviation, Health, Personal Accident, Loan Protect Plans etc. Moreover, The bank shall sell all Insurance plan approved by IRDAI (Individual and Group - both)
Health	Health, Group Health, Hospital Cash, Wellness, Personal Accident, Loan Protection Plan, Critical Illness Plan etc. Moreover, The bank shall sell all Insurance plan approved by IRDAI (Individual and Group – both)

The insurance products shall only be offered as ancillary product along with principal business product, based on need of financial products. No prospect/customer shall be compelled to buy an insurance product being offered along with the bank’s products. All efforts shall be undertaken to avoid mis-selling/force selling of insurance products.



12. Responsibility

a. Corporate Agent

I. Responsibilities of the Principal Officer shall include following:

1. Complete practical training and examination as required under the Regulations.
2. Supervise the Corporate agency activities of the bank.
3. Ensure that Specified Persons are trained and certified, in accordance with the Regulations.
4. Ensure compliance with the Code of Conduct prescribed under the Regulations.
5. Ensure prospects/customer are not compelled to buy insurance product being offered along with the bank' products.
6. Ensuring correct and timely submission of periodic returns to IRDAI in the prescribed format.
7. Submission of application to IRDAI for issuance/renewal of certificate to act as Specified Person, in accordance with the Regulations.
8. Define adequate steps for redressal of grievances.
9. Maintenance of records as prescribed under the Regulations.
10. Co-ordination with IRDAI and insurance companies in day-to-day matters.
11. Any such other duties or obligations as may be prescribed by IRDAI from time to time.

II. Responsibilities of Specified Persons (SPs) shall include following:

1. To complete practical training and examination as required under the Regulations.
2. Ensure compliance with the Code of Conduct prescribed under the Regulations.
3. Not to compel prospect/customer to buy an insurance product being offered along with the bank's products.
4. To provide due support and guidance to policyholders at the time of procuring/solicitation of policies and in policy servicing, claims and grievance related matters.
5. Ensure adequate and timely support to Principal Officer/Management in order to fulfill the obligations under the Regulations.
6. Any such other duties or obligations as may be prescribed by IRDAI/Corporate Agent from time to time.

III. Role and Responsibility of Management and Board of the Bank

1. Ensure compliance with code of conduct prescribed under the regulations
2. Disclose all material facts to the IRDAI as required under regulations
3. The Board of the Bank, as a Corporate Agent, shall pass a specific resolution approving the proposal in accordance with applicable regulatory guidelines.
4. Upon completion of the initial term of three (3) years of the existing arrangement, any proposal to enter into or renew a longer-term contract for undertaking insurance business, including on a referral basis, shall be placed before the Board for its approval.
5. Ensure there is no conflict of Interest between
 - I. Activity with insurer as Corporate Agent, as promoter and as a Banker
 - II. Maintain arm's length relationship in regard to financial transactions between its activities as Corporate Agent and other activities

b. Insurer

1. Endeavoring to provide support to the Corporate Agent to achieve the business plan as mutually agreed between Bank and Insurer.
2. Providing appropriate Products to be sold by the Corporate Agent from the suite of Products of Insurance Company and uninterrupted service to the customers.



3. Providing to the Corporate Agent the Product collaterals (including product brochures, illustrations, proposal forms, etc) for Products and these materials shall be prepared in compliance with the Act and Regulations.
4. Deployment of an adequate number of Relationship Associates at Bank branches and/or at locations other than branches shall be ensured to facilitate effective coordination between the Bank and the Insurer. Such Relationship Associates shall be provided with appropriate training to support insurance solicitation and servicing activities. The Insurer may, from time to time, review and revise the number of Relationship Associates to be deployed, based on the business volumes generated by the Corporate Agent.
5. Ensuring complete knowledge about the products amongst Relationship Associates so that they / CA can explain well to the prospects/customers before solicitation of insurance business.
6. Making all efforts to avoid mis-selling/force selling of insurance products to prospect/customer.
7. Issuance of policy contracts subject to receipt of completed proposal forms and prescribed documents free from any discrepancies along with the premium amounts.
8. Ensuring timely delivery of Policy Documents to customers.
9. Maintaining all the records related to policy documents of the policy holders and ensure safe custody of it.
10. Providing the Corporate Agent information on the policies sourced by the Corporate Agent and the data with respect to the renewal premiums due from the policyholders.
11. Maintaining secrecy and confidentiality of all records and information shared under this contract.
12. Providing the MIS reports related to business under Corporate agency arrangement to the Bank as per requirements from time to time.
13. Payment of Commission subject to and in accordance with the provisions of the applicable Insurance Laws, IRDAI Regulations / Circulars.

All personnel involved in the solicitation, distribution, servicing, or administration of insurance products including the Principal Officer, Specified Persons (SPs), and all staff engaged in insurance-related activities shall strictly adhere to the IRDAI Code of Conduct as prescribed under the IRDAI Regulations and detailed in Annexure-I.

13. Solicitation

The Bank shall follow a need-based, suitability-oriented, and fair-conduct approach while soliciting insurance and other third-party products, ensuring protection of customer interests at all times.

- a. Insurance shall be solicited only by the employees holding a valid certificate issued by IRDAI to act as Specified Person (SP), under the Regulations.
- b. The prospect/customer will not be compelled to buy an insurance product being offered along with the bank's products.
- c. Insurance product shall be offered on the basis of need analysis and financial assessment of the customer.
- d. For all activities related to the marketing or referral of mutual fund and insurance products, the Bank shall ensure full transparency by disclosing to customers the details of all commissions, fees, or any other form of remuneration received, if any, from the respective mutual fund or insurance companies whose products are being



- marketed or referred. This disclosure is essential to safeguard customer interests and maintain high standards of fairness and transparency.
- e. Prospect/customer shall not be induced to omit or submit any wrong information in the proposal form.
 - f. The insurance products of the tie-up partners shall be sold through the branches and bank should endeavour to leverage the technology for selling / servicing through online wherever permissible / feasible.
 - g. The bank shall not undertake multi-level marketing for soliciting or procuring insurance products.
 - h. As per RBI Charter of Customer Rights, the products offered should be appropriate to the needs of the customer and based on an assessment of the customer's financial circumstances and understanding'. Right selection of the product for TPS ensures that there is a popular demand for the product alleviating obstinate incentive for force-selling to the customers.

14. Servicing

The bank is committed to serve its customers during the entire period of the contract in accordance with the procedure defined under the Regulations. All branches shall accept the premium / service requests etc. It shall be endeavor of Bank to strengthen alternate delivery channels also to support the customer servicing / premium payments for insurance products, which should be utilized to the fullest extent to provide hassle free services to the customers.

The insurance products shall be sold only to Bank's customer whose KYC is already done and KYC documents are with the Bank. Whenever the insurance product is sold to customers who are not KYC complied / non customers, the KYC shall be done and documents be kept on record specifically.

Servicing of policies would include aspects like:

- Assisting in payment of premium in accordance with Section 64VB of the Insurance Act, 1938,
- Providing necessary assistance and guidance in the event of a claim,
- Providing all other services and guidance on issues which arise during the course of an insurance contract,
- Handling of customer requests, complaints and queries.

Under no circumstances, any employee including Specified Person and Principal Officer will act in a manner which will not be in the interest of the policyholder or the bank or the insurer. Primarily, Specified Persons along with Principal Officer will be responsible to ensure compliance with servicing standards specified by the IRDAI, insurers and the bank. In addition, other employees dealing with the customers will also be responsible to ensure adherence to the prescribed servicing standards.

The bank will make efforts at all times to impart and enhance knowledge level of the employees dealing with customers so that they can meet the trust and expectation of customers. The bank will define and document the processes towards each of the aspects specified above which will be kept updated from time to time.



V. MUTUAL FUNDS BUSINESS

1. Definition

“Mutual Fund” shall have the same meaning as assigned under the SEBI (Mutual Funds) Regulations, 1996, i.e., a trust established to pool money from the public for investment in securities, professionally managed by an Asset Management Company (AMC) for the benefit of unit holders holding proportionate units of the fund.

2. Regulatory Permission and Board Approval

Regional Rural Banks (RRBs) are permitted to undertake the marketing and distribution of Mutual Fund products as agents, subject to prior approval of the Board, by entering into agreements with AMCs. The Board of the Bank shall consider and approve all proposals relating to Mutual Fund distribution activities.

In accordance with RBI Notification No. RBI/DoR/2025-26/248–DoR.AUT.REC.No.167/24-01-041/2025-26 dated 28.11.2025, the Bank shall report the details of each tie-up, along with a copy of the executed agreement, to the concerned Regional Office of the Reserve Bank of India within ten (10) days from the date of entering into such arrangement.

3. Tie up with Asset Management Companies (AMCs)

To cater to the investment needs of customers and to provide a wide range of investment options, the Bank is presently distributing Mutual Fund schemes of the following three (3) empanelled AMCs:

The AMCs presently empanelled with the Bank are as under:

1. Baroda BNP Paribas Mutual Funds
2. SBI Mutual Funds
3. UTI Mutual Funds

The Bank may also enter into arrangements with additional AMCs in the future, as and when considered necessary, to further enhance product choice for customers and expand business opportunities for the Bank.

4. Mutual Fund Distribution Framework

This Policy lays down the guiding principles governing the marketing and distribution of Mutual Fund schemes of empanelled AMCs, in strict compliance with the guidelines, circulars, and regulatory framework prescribed by RBI, SEBI, and AMFI, as amended from time to time. The Bank is registered with AMFI and holds AMFI Registration Number (ARN) 339329.

Key operational and compliance aspects are as under:

- a. Bank shall only act as an agent of the customers, forwarding applications of the investors for purchase / sale of MF units to the Mutual Fund / Registrar / Transfer Agents.
- b. The purchase of MF units shall be at the risk of customers and the Bank shall not guarantee any assured return.
- c. Bank shall neither acquire such units of Mutual Fund from the secondary market nor buy back units of Mutual Funds from their customers.



- d. Bank holding custody of MF units on behalf of their customers shall ensure that its own investment and investments belonging to their customers are kept distinct from each other.
- e. Bank shall confine retailing of units of Mutual Funds to branches.
- f. Bank shall comply with the extant KYC / AML guidelines in respect of the applicants.
- g. Bank shall put in place adequate and effective control mechanisms in consultation with its sponsor bank.
- h. The Bank shall facilitate Mutual Fund investments through physical and digital modes, including mobile applications, internet banking, web-based solutions, and other digital platforms, including referral-based digital vendor arrangements.
- i. Credit facilities against Mutual Fund units, wherever permitted, shall be governed by the Credit/Loan Policy of the Bank and RBI guidelines on advances against shares, debentures, and Mutual Fund units.
- j. The Bank may introduce or tie up with alternate digital platforms under DIY or assisted models to improve customer experience, subject to regulatory compliance.

5. AMFI Certified Employee (ACE)

Mutual Fund business at the branches of the Bank shall be solicited only through AMFI Certified Employees (ACEs), in strict compliance with the guidelines and regulations issued by SEBI and AMFI, as amended from time to time. Employees engaged in the solicitation and distribution of Mutual Fund products must have successfully passed the NISM–Series V-A: Mutual Fund Distributors Certification Examination conducted by the National Institute of Securities Markets (NISM) and must hold a valid EUIN (Employee Unique Identification Number) allotted by AMFI.

Such employees shall undergo the requisite training as prescribed by the Bank and AMFI and shall ensure continuous validity of their certification through timely renewal, as applicable. No employee who is not duly certified and authorised shall solicit, market, or facilitate Mutual Fund transactions.

6. Code of Conduct

All personnel involved in the distribution or servicing of Mutual Fund products shall strictly adhere to the AMFI Code of Conduct (April 2022) for Intermediaries of Mutual Funds, as prescribed in Annexure-II, and comply with all applicable SEBI/AMFI guidelines, as amended from time to time.



VI. CREDIT CARD DISTRIBUTION UNDER REFERRAL MODEL

The Bank may engage in the distribution of credit cards through a referral-based third-party arrangement, in accordance with applicable RBI guidelines on para-banking and agency business. Under this model, the Bank functions solely as a referrer, while the partnered credit card issuer is entirely responsible for underwriting, approval, issuance, billing, servicing, dispute resolution, and collections. The Bank shall not assume any credit, operational, or financial risk at any stage of the credit card lifecycle.

Under the referral arrangement, the Bank will act exclusively as a sourcing and facilitation partner, and shall earn referral fees, onboarding incentives, renewal commissions, or usage-based incentives, as mutually agreed with the credit card issuer.

1. Role and Responsibilities of the Bank

- a. The Bank shall function strictly as a referral partner and not as a credit card issuer, and therefore will not undertake any underwriting, credit assessment, approval, billing, collections, or assume any form of credit or operational risk.
- b. The Bank shall identify and refer eligible customers based on their banking relationship, repayment behaviour, and overall suitability, ensuring that all sourcing is voluntary, need-based, and entirely free from coercion or any form of linkage to banking products or services.
- c. The Bank shall explain all card features, fees, charges, interest rates, billing cycles, and terms strictly as provided by the issuer.
- d. The Bank shall assist customers in completing application forms and forward them promptly to the card issuer, while maintaining accurate records of all referrals, submitted applications, and customer consents, and ensuring that no application is processed or forwarded without the customer's explicit request.
- e. The Bank shall ensure that staff do not provide misleading information or make assurances of guaranteed approvals or credit limits, and shall strictly prohibit employees from accepting any cash or non-cash incentives from the issuer, thereby upholding suitability standards and preventing mis-selling.
- f. The Bank shall provide basic pre-issuance guidance to customers on product features and application status based solely on information shared by the issuer, while directing customers to the issuer for all post-issuance servicing, billing, dispute resolution, and related matters.
- g. The Bank shall address all complaints related to its referral activities or staff conduct through its internal grievance redressal mechanism, while ensuring that complaints pertaining to card issuance, servicing, or transactions are duly recorded, tracked, and escalated to the issuer for appropriate resolution.

2. Roles and Responsibilities of the Credit Card Issuer

- a. The credit card issuer shall be solely responsible for conducting credit appraisal, underwriting, and approving or rejecting applications, as well as assigning appropriate credit limits based on its internal risk assessment parameters.
- b. The credit card issuer shall handle the issuance of credit cards, including dispatch of PINs, statements, alerts, and welcome kits, and shall be fully responsible for all post-issuance activities such as billing, customer servicing, dispute resolution, fraud monitoring, and collections.
- c. The credit card issuer shall ensure full compliance with all applicable RBI regulations governing credit card issuance, disclosures, interest rates, customer service, and grievance redressal, and shall maintain the necessary systems, processes, and controls as mandated by the regulator.



- d. The credit card issuer shall provide the Bank with necessary operational support, including staff training, updated product literature, MIS, and other guidance, while ensuring that all product information shared with customers is accurate, consistent, and up to date.
- e. The credit card issuer shall bear the entire credit and operational risk associated with the credit card portfolio sourced through the Bank and shall independently take all decisions relating to customer eligibility, credit limit assignment, recovery actions, and account closure.

VII. CUSTOMER GRIEVANCE REDRESSAL MECHANISM

The Bank's grievance redressal mechanism, formulated in accordance with the Reserve Bank of India (RBI) guidelines and approved by the Board, shall equally apply to grievances arising from the solicitation, distribution, servicing, or administration of all Third-Party Products, including insurance. This mechanism shall apply uniformly to all grievances arising out of the solicitation, distribution, servicing, or facilitation of Third Party Products, including Insurance, Mutual Funds, and Credit Cards distributed under the referral model.

The Bank is committed to ensuring a transparent, fair, responsive, and time-bound grievance redressal system, including complaints relating to mis-selling, staff conduct, disclosure deficiencies, or non-compliance with applicable Codes of Conduct.

1. General Provisions

- a. The Bank shall prominently display the name, designation, contact details, and escalation hierarchy of the Grievance Redressal Officer at all branch premises and on its website.
- b. The grievance redressal mechanism shall cover all Third-Party Product-related complaints and service requests, irrespective of the product provider or mode of solicitation (physical or digital).
- c. Customers may lodge grievances through multiple channels, including Branch, Regional Office, Head Office, written or email communication, as well as through the Grievance Redressal Portal available on the Bank's website, which shall be monitored by designated officials.
- d. All complaints shall be recorded in the complaint management system / register, irrespective of the mode of receipt, and shall be duly acknowledged.
- e. Each complaint shall be reviewed and, where required, investigated in a fair, impartial, and time-bound manner.
- f. Customers shall receive timely responses within the prescribed regulatory timelines, along with clear information on the escalation matrix.
- g. Upon completion of investigation or review, customers shall be informed of the findings, outcome, and resolution, including guidance on further escalation in case of dissatisfaction.
- h. Complaints requiring higher-level intervention shall be escalated to appropriate senior authorities within the Bank to ensure effective resolution.



2. Third Party Specific Grievances Redressal

- a. Insurance Products (IRDAI – Corporate Agent)
 - I. All insurance-related complaints shall be resolved within fourteen (14) days, in line with the IRDAI (Protection of Policyholders' Interests) Regulations and Corporate Agency guidelines.
 - II. Complaints shall be shared with the concerned insurer, wherever required, for prompt resolution.
 - III. If a customer is not satisfied with the Bank's response, they may approach the Insurance Ombudsman or IRDAI, as applicable.
- b. Mutual Fund Products (SEBI / AMFI)
 - I. Complaints relating to Mutual Fund distribution, including EUIN-related issues, mis-selling allegations, or disclosure-related concerns, shall be addressed in accordance with SEBI and AMFI grievance redressal guidelines.
 - II. Where required, such complaints shall be escalated to the concerned Asset Management Company (AMC) and/or AMFI, and customers shall be informed of the appropriate escalation channels, including SEBI SCORES.
- c. Credit Cards (Referral Model – RBI)
 - I. Complaints relating to referral activities, staff conduct, or disclosure at the sourcing stage shall be handled by the Bank under its grievance redressal mechanism.
 - II. Complaints relating to card issuance, billing, transactions, interest, fees, servicing, dispute resolution, or collections shall be promptly forwarded to the concerned credit card issuer, and the Bank shall facilitate coordination for resolution.
 - III. Customers shall be informed of the issuer's grievance redressal mechanism and RBI-prescribed escalation channels, wherever applicable.

VIII. NEED BASED SELLING, CUSTOMER SAFEGUARDS AND MIS-SELLING PREVENTION

1. Need Based Selling and customer safeguards

Ensuring product suitability is a cornerstone of customer protection and a key regulatory obligation, particularly under the IRDAI Corporate Agency framework. The Bank shall adopt a customer-centric, need-based, and suitability-driven approach while soliciting, distributing, or referring Third Party Products, including Insurance, Mutual Funds, and Credit Cards.

Prior to recommending or referring any third-party product, the Bank shall assess the customer's financial needs, objectives, income profile, affordability, risk appetite, investment horizon, cash-flow position, and investment or borrowing experience, in line with applicable regulatory requirements on suitability and appropriateness.

For Life Insurance products with savings or investment elements, a Suitability Assessment / Need-Based Analysis shall be conducted to ensure that the product recommended is appropriate to the customer's requirements, in accordance with IRDAI regulations and Codes of Conduct applicable to Corporate Agents.

Where the Bank has multiple tie-ups, customers shall be informed of the available product options to enable an informed and independent choice. While the Bank may guide and explain available options, the final decision shall rest solely with the customer. Customers



shall be clearly informed that purchase of any third-party product is purely optional and not a precondition for availing any banking service.

The Bank shall disclose its role as a Corporate Agent of the insurer and shall exercise due care and diligence to ensure that customers clearly understand the relationship between the Bank and the product provider.

2. Mis-selling Prevention Framework

The Bank shall not adopt any restrictive, coercive, or unfair practices, including forcing, inducing, or influencing customers to purchase any third-party product or linking banking services to such sales.

Mis-selling shall include, but not be limited to:

- Misrepresentation or exaggeration of benefits or returns
- Suppression or omission of material information
- Non-disclosure of risks, charges, exclusions, lock-in or surrender conditions
- Recommendation of products unsuitable to the customer's stated needs or financial profile

The Bank shall ensure that no cash or non-cash incentives are paid directly or indirectly by insurers, Asset Management Companies, or other third-party product providers to the Principal Officer, Specified Persons (SPs), AMFI Certified Employees (ACEs), staff, CIFs, or lead generators, in accordance with IRDAI, AMFI, and RBI regulations.

Bank staff shall act with due care and diligence and shall not assure guaranteed returns, provide advisory services unless specifically permitted, or misrepresent product benefits or outcomes.

To prevent mis-selling and ensure regulatory compliance, the Bank shall:

- a. Provide customers with complete, accurate, fair, and transparent information on product features, benefits, premiums, charges, risks, exclusions, lock-in conditions, surrender terms, and other material conditions.
- b. Ensure strict compliance with the Codes of Conduct and sales practices prescribed by IRDAI (Insurance), SEBI/AMFI (Mutual Funds), and RBI (Credit Cards under referral model).
- c. Ensure that all Specified Persons (SPs), AMFI Certified Employees (ACEs), Customer Interface Functionaries (CIFs), and Lead Generators follow a "Know Your Customer" and "Know Your Product" approach while sourcing and facilitating business.
- d. Extend reasonable assistance to customers for documentation, disclosures, and pre- and post-sale support, strictly within the scope of the Bank's authorised role.

3. Safeguards Against Mis-selling and Complaint Resolution

Any grievance arising from product suitability issues, mis-selling allegations, disclosure deficiencies, or staff conduct shall be addressed promptly under the Bank's Customer Grievance Redressal Mechanism, with appropriate escalation to the insurer, AMC, or credit card issuer, as applicable.

Instances of mis-selling, if established, shall attract corrective measures, and disciplinary action against the concerned staff, in accordance with the Bank's internal policies and applicable regulatory requirements.



IX. MAINTENANCE OF RECORDS AND REPORTING

The Bank shall maintain proper, accurate, and up-to-date records relating to the distribution of all Third-Party Products, including Insurance, Mutual Funds, and Credit Cards, in accordance with the applicable regulatory guidelines and statutory requirements.

1. Insurance Business

The Bank shall maintain complete records of all insurance policies solicited and serviced through its branches and shall submit periodic statements, reports, and returns to IRDAI and other competent authorities, as prescribed under the applicable regulations. The Bank shall also share such information with the respective insurers, as may be required in connection with the insurance business undertaken.

Bank shall maintain complete records (physical or electronic) including KYC and PMLA compliance documents, signed proposal forms and ACRs, client and policy details, registers of complaints and actions taken, employee/specified person details, correspondence with the Authority, and any other records as prescribed by the Authority from time to time.

Bank shall furnish half-yearly returns to the Authority insurer wise business placed separately in respect of life, general and health insurance, in the formats specified by the IRDAI, before 31st October and 30th April every year.

2. Mutual Fund Business

The Bank shall maintain records of all Mutual Fund transactions, investor applications, EUIN details, commissions, and related disclosures, and shall submit such reports, statements, and MIS to AMFI, SEBI, RBI, and other authorities, as applicable, in accordance with extant guidelines. Necessary information shall also be shared with the concerned Asset Management Companies (AMCs), as required.

3. Credit Card Business (Referral Model)

The Bank shall maintain records of all credit card referrals, customer consents, applications forwarded, incentives received, and grievance-related information, and shall comply with all reporting and disclosure requirements prescribed by RBI or other competent authorities, as applicable. Relevant information shall be shared with the credit card issuer, wherever required.

Further, the Bank shall intimate the opening, closure, or relocation of offices, changes in authorised personnel, and any other material information to the respective regulators and product partners, and shall comply with all reporting, disclosure, and record-keeping requirements as prescribed under applicable regulations from time to time.

X. REMUNERATION

The bank shall receive or contract to receive remuneration from Third Party Companies only in accordance with the Regulations notified by RBI/IRDAI/AMFI/SEBI. In this regard, Bank from time to time and shall disclose remuneration received from insurers as required under the Regulations in Bank's Financial Statements.

None of the employees of the bank including designated Principal Officer and employee holding a valid certificate issued by IRDAI/NISM/AMFI to act as Specified



Person/ACE/EUIN Holders, shall receive or contract to receive any incentive (cash or non-cash) from any of the insurance companies/AMCs/Card Issuers.

In all the activities referred to above (i.e., marketing of mutual funds, insurance products), Bank shall, in order to ensure transparency and to protect the interest of customers, mandatorily disclose to customers the details of all commissions, fees, or any other form of remuneration received, if any, from the respective mutual fund or insurance companies whose products are being marketed or referred.

XI. TRAINING OF CERTIFIED EMPLOYEES

One of the key drivers for Third Party Product distribution is training and knowledge of staff, which ensures accurate communication of details, features of products and services to customers. No staff will be allowed to sell any Third Party Product unless due certification is completed. The Bank, along with Third Party Product partners, will undertake necessary initiatives time to time to train staff to ensure proper knowledge with regard to product features, charges, tenure, limitations, etc. is provided to customers.

As motivation plays an important role in driving a business, The Bank shall endeavor to actively participate in schemes and motivational program/training and recognition program etc. in accordance with the guidelines of the IRDAI/RBI/SEBI/AMFI etc. Bank will organize training program for imparting knowledge and skill to the employees / Specified Persons/ACE engaged in Third party product business from time to time. Head Office /Regional Offices of the Bank will update on insurance business to all the staff during the periodic meetings/visits.

XII. REGULATORY COMPLIANCE

The Bank shall ensure that all cross-selling activities involving third-party products are conducted in full compliance with applicable regulations and in a transparent, ethical, and well-governed manner. This section outlines the regulatory framework governing the Bank's third-party product distribution activities.

The Bank shall strictly comply with all relevant regulations, circulars, and guidelines issued by RBI, SEBI/AMFI, IRDAI and any other competent regulatory authorities.

In this regard:

- a. The Bank will undertake distribution of third-party products under agency, referral, or distribution models on a non-risk participation basis, in accordance with RBI guidelines on para-banking activities.
- b. The Bank shall ensure that all Insurance distribution arrangements strictly comply with IRDAI Corporate Agency Regulations, and that customer interest remains central to all solicitation and servicing activities.
- c. All income—such as commissions, fees, and service charges—will be earned strictly in line with applicable regulatory norms.
- d. The Bank shall follow all Codes of Conduct prescribed by the respective regulatory bodies (IRDAI-Annexure-I / AMFI-Annexure-II) for the solicitation, distribution, and servicing of third-party products.
- e. All such activities will be carried out in a manner that ensures customer protection, transparency, and adherence to regulatory expectations.



XIII. COMMERCIAL AND LEGAL ASPECTS

Before entering into any arrangement with third-party product partners, the Bank shall evaluate each proposal on both commercial and legal parameters to ensure that the engagement yields maximum benefit to the Bank and its customers.

- a. All agreements, MoUs, or contracts with third-party partners falling under this Policy shall be duly vetted by the Bank's Legal Department.
- b. This vetting process ensures compliance with legal requirements, regulatory guidelines, and the Bank's internal policies, while also safeguarding the Bank's commercial interests and customer welfare.
- c. The Bank will periodically review commercial arrangements to ensure continuing relevance, competitiveness, and alignment with organizational objectives.

XIV.EFFECTIVE DATE

This Policy shall be effective from the date of approval by the Board

XV. PERIODICITY OF REVIEW OF THE POLICY

This Policy shall be reviewed periodically and revised as and when required, in line with changes in applicable regulatory guidelines, statutory provisions, or internal requirements, with the approval of the Board.

Unless revised earlier, this Policy shall remain in force for a period of one (1) year from the date of approval by the Board.

XVI. REFERENCES

The Policy has been formulated with due reference to, and in compliance with, the following regulatory instructions, circulars, and codes of conduct issued by the respective regulators and authorities:

- RBI Circular no RBI/DoR/2025-26/248 DoR.AUT.REC.No.167/24-01-041/2025-26 dated 28.11.2025
- Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 (amended upto 05.12.2022) (IRDA Gazette notification no. 627, F.No. IRDAI/ Reg/4/183/2022 dt. 05.12.2022)
- AMFI Code of Conduct for Mutual Fund Distributors (April 2022)
- SEBI circular No. MFD/CIR/20/23230/2002 dated Nov. 28, 2002
- RBI/2004-05/ 252 RPCD.CO. RRB.BC.No. 51 /03.05.33 (G)/ 2004-05 dated October 27, 2004
- RBI/2005-06/388 RPCD.No.RRB.BC.82 /03.05.33/2005-06 dated May 17, 2006



**Schedule - III of
Insurance Regulatory and Development Authority of India
(Registration of Corporate Agents) Regulations, 2015
(Regulation 26) Code of Conduct**

I. General Code of Conduct:

1. Every corporate agent shall follow recognised standards of professional conduct and discharge their duties in the interest of the policyholders. While doing so –
 - a) conduct its dealings with clients with utmost good faith and integrity at all times;
 - b) act with care and diligence;
 - c) ensure that the client understands his relationship with the corporate agent and on whose behalf the corporate agent is acting;
 - d) treat all information supplied by the prospective clients as completely confidential to themselves and to the insurer(s) to which the business is being offered;
 - e) take appropriate steps to maintain the security of confidential documents in their possession;
 - f) No director of a company or a partner of a firm or the chief executive or a principal officer or a specified person shall hold similar position with another corporate agent;
2. Every Corporate Agent Shall
 - a) be responsible for all acts of omission and commission of its principal officer and every specified person;
 - b) ensure that the principal officer and all specified persons are properly trained, skilled and knowledgeable in the insurance products they market;
 - c) ensure that the principal officer and the specified person do not make to the prospect any misrepresentation on policy benefits and returns available under the policy;
 - d) ensure that no prospect is forced to buy an insurance product;
 - e) give adequate pre-sales and post-sales advice to the insured in respect of the insurance product;
 - f) extend all possible help and cooperation to an insured in completion of all formalities and documentation in the event of a claim;
 - g) give due publicity to the fact that the corporate agent does not underwrite the risk or act as an insurer;
 - h) Enter into agreements with the insurers in which the duties and responsibilities of both are defined.

II. Pre-sale Code of Conduct

3. Every corporate agent or principal officer or a specified person shall also follow the code of conduct specified below:
 - (i) Every corporate agent/ principal officer / specified person shall,--
 - a) identify himself and disclose his registration/ certificate to the prospect on demand;
 - b) disseminate the requisite information in respect of insurance products offered for sale by the insurers with whom they have arrangement and take into account the needs of the prospect while recommending a specific insurance plan;
 - c) disclose the scales of commission in respect of the insurance product offered for sale, if asked by the prospect;



- d) indicate the premium to be charged by the insurer for the insurance product offered for sale;
- e) explain to the prospect the nature of information required in the proposal form by the insurer, and also the importance of disclosure of material information in the purchase of an insurance contract;
- f) bring to the notice of the insurer any adverse habits or income inconsistency of the prospect, in the form of a Confidential Report along with every proposal submitted to the insurer, and any material fact that may adversely affect the underwriting decision of the insurer as regards acceptance of the proposal, by making all reasonable enquiries about the prospect;
- g) inform promptly the prospect about the acceptance or rejection of the proposal by the insurer;
- h) obtain the requisite documents at the time of filing the proposal form with the insurer; and other documents subsequently asked for by the insurer for completion of the proposal;

(ii) No corporate agent/ principal officer / specified person shall, ----

- a) solicit or procure insurance business without holding a valid registration/ certificate;
- b) induce the prospect to omit any material information in the proposal form;
- c) induce the prospect to submit wrong information in the proposal form or documents submitted to the insurer for acceptance of the proposal;
- d) behave in a discourteous manner with the prospect;
- e) interfere with any proposal introduced by any other specified person or any insurance intermediary;
- f) offer different rates, advantages, terms and conditions other than those offered by the insurer;
- g) force a policyholder to terminate the existing policy and to effect a new proposal from him within three years from the date of such termination;
- h) No corporate agent shall have a portfolio of insurance business from one person or one organization or one group of organizations under which the premium is in excess of fifty percent of total premium procured in any year;
- i) become or remain a director of any insurance company, except with the prior approval of the Authority;
- j) indulge in any sort of money laundering activities;
- k) indulge in sourcing of business by themselves or through call centers by way of misleading calls or spurious calls;
- l) undertake multi-level marketing for soliciting and procuring of insurance products;
- m) engage untrained and unauthorised persons to bring in business;
- n) Provide insurance consultancy or claims consultancy or any other insurance related services except soliciting and servicing of insurance products as per the certificate of registration.
- o) Engage, encourage, enter into a contract with or have any sort of arrangement with any person other than a specified person, to refer, solicit, generate lead, advise, introduce, find or provide contact details of prospective policyholders in furtherance of the distribution of the insurance product;
- p) Pay or allow the payment of any fee, commission, incentive by any other name whatsoever for the purpose of sale, introduction, lead generation, referring or finding to any person or entity.



III. Post-Sale Code of Conduct

4. Every Corporate Agent shall –

- a) advise every individual policyholder to effect nomination or assignment or change of address or exercise of options, as the case may be, and offer necessary assistance in this behalf, wherever necessary;
- b) with a view to conserve the insurance business already procured through him, make every attempt to ensure remittance of the premiums by the policyholders within the stipulated time, by giving notice to the policyholder orally and in writing.
- c) ensure that its client is aware of the expiry date of the insurance even if it chooses not to offer further cover to the client;
- d) ensure that renewal notices contain a warning about the duty of disclosure including the necessity to advise changes affecting the policy, which have occurred since the policy inception or the last renewal date;
- e) ensure that renewal notices contain a requirement for keeping a record (including copies of letters) of all information supplied to the insurer for the purpose of renewal of the contract;
- f) ensure that the client receives the insurer's renewal invitation well in time before the expiry date.
- g) render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer;
- h) explain to its clients their obligation to notify claims promptly and to disclose all material facts and advise subsequent developments as soon as possible;
- i) advise the client to make true, fair and complete disclosure where it believes that the client has not done so. If further disclosure is not forthcoming it shall consider declining to act further for the client;
- j) give prompt advice to the client of any requirements concerning the claim;
- k) forward any information received from the client regarding a claim or an incident that may give rise to a claim without delay, and in any event within three working days;
- l) advise the client without delay of the insurer's decision or otherwise of a claim; and give all reasonable assistance to the client in pursuing his claim.
- m) shall not demand or receive a share of proceeds from the beneficiary under an insurance contract;
- n) ensure that letters of instruction, policies and renewal documents contain details of complaints handling procedures;
- o) accept complaints either by phone or in writing;
- p) acknowledge a complaint within fourteen days from the receipt of correspondence, advise the member of staff who will be dealing with the complaint and the timetable for dealing with it;
- q) ensure that response letters are sent and inform the complainant of what he may do if he is unhappy with the response;
- r) ensure that complaints are dealt with at a suitably senior level;
- s) have in place a system for recording and monitoring complaints.



AMFI Code of Conduct for Mutual Fund Distributors (April 2022)

I. Purpose and Scope of the Code

- a. This Code of Conduct ("Code") requires Mutual Fund Distributors to demonstrate the core values of being a fiduciary by establishing professional standards in their dealings with the investors, Asset Management Companies ("AMCs"), and other distributors so as to exemplify the values of transparency, competency, fairness, integrity and thereby seek to inspire and maintain trustworthiness in the profession of distribution of Mutual Fund schemes.
- b. This Code applies to all persons and entities who are registered with the Association of Mutual Funds in India (AMFI) as mutual fund distributors i.e. holders of AMFI Registration Number ("ARN") (referred to as "MFDs" in this Code) and is binding on all the Directors/partners, members, sub-distributors, employees and representatives of the MFDs (collectively referred to as "Representatives" in this Code). The term "MFDs" is deemed to include the sales personnel of the MFDs engaged in marketing, sale and distribution of mutual fund products.

II. Obligations of the MFDs

1. Fiduciary Duty

- a. MFDs must consider investor's interest as paramount and exercise due diligence, take proper care and exercise independent professional judgment in the best interest of the investor.
- b. MFDs should try to avoid conflict of interest as far as possible, and when it cannot be avoided, they shall ensure that appropriate disclosures are made to the investors, and that the investors are treated fairly. Further, while selling Mutual Fund products of their group/affiliate/associates, MFDs shall make appropriate disclosures to the investors regarding the conflict of interest arising from distribution of such Mutual Fund scheme.
- c. MFDs shall ensure that financial incentive should not form the basis for recommending any particular scheme or transaction to any investor. MFDs shall promote a culture of ethics and integrity within the organization, so as to dissuade unfair practices, conflicts, aggressive sales tactics and other inappropriate conduct directed to achieve sales targets in disregard of its fiduciary duty of care, diligence and loyalty.
- d. MFDs shall not rebate or pass-back commission to investors and shall refrain from attracting investors through inducement of rebate or gifts / gift-vouchers etc.
- e. MFDs shall not collude or undertake malpractices such as:



- i. encouraging over transacting and churning of investments to earn higher commissions.
- ii. splitting applications to earn higher transaction charges / commissions.
- iii. participating in payment defaults (such as dishonoring of cheques) or diversion of funds.
- iv. making false claims for or participating in wrongful dividend / redemption payouts.
- v. carrying out unethical practices such as churning, selling unsuitable products to clients, selling of units of schemes of any mutual fund, directly or indirectly, by making false or misleading statements, concealing or omitting material facts of the scheme, concealing the associated risk factors of the schemes, etc.

2. Compliance related obligations

- a. MFDs shall adhere to Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("Mutual Fund Regulations") and guidelines/circulars issued by Securities and Exchange Board of India ("SEBI") and AMFI, from time to time, pertaining to distributors, selling, distribution and advertising practices (including the preparation of sales promotional literature and content) and code of conduct. Performance disclosures should also comply with the requirements specified by SEBI. MFDs must also adhere to restrictions prescribed under other SEBI Regulations as may be applicable to their marketing, selling and distribution activities, for example, obligation on segregation of distribution and advisory services mandated under SEBI (Investment Advisers) Regulations, 2013.
- b. MFDs shall comply with the Know Your Distributor ("KYD") norms prescribed by AMFI. MFDs shall be diligent in attesting / certifying investor documents and performing In- Person Verification ("IPV") of investors for the KYC process in accordance with the guidelines prescribed by AMFI / KYC Registration Agency ("KRA") from time to time.
- c. MFDs should endeavor to be fully conversant with the key provisions of the Scheme Information Document ("SID"), Statement of Additional Information ("SAI") and Key Information Memorandum ("KIM") as well as the operational requirements of various schemes and should explain to the investors the key features (including fundamental attributes) of the schemes and any risk associated therein.
- d. In order to assess suitability of the Mutual Fund scheme being marketed, the MFDs should seek information from their clients about their financial status, investment experience and investment objectives.
- e. MFDs shall ensure that their Representatives have the necessary education and experience to perform their respective services.
- f. MFDs and their Representatives shall maintain confidentiality of all information relating to the AMC's and investors, and shall not:



- i. Share or publish such information in any private or public forum without prior written consent of the concerned AMC/investor
- ii. Share or make any disclosure to any third party except pursuant to any filings or disclosures as may be required under applicable law or order of any court or regulatory body.
- iii. Share data with Group Companies for cross marketing.

MFDs and their Representatives shall comply with the Data Sharing Principles prescribed by AMFI and the applicable laws on Personal Data Protection.

- g. MFDs shall adhere to contractual agreements with AMC relating to data privacy to ensure that the data is always protected, used only for the purpose for which it was obtained and purged as soon as the data is no longer required to be stored for rendering services for which it was collected or stored securely.
- h. MFDs shall ensure that they and their sub-distributors are compliant with SEBI regulations, AMFI guidelines and code of conduct at all times and also that all their sub-distributors have a valid ARN. In other words, principal MFD should not engage or continue to engage a sub- distributor whose ARN is rendered invalid.

3. Infrastructure, record keeping and other related obligations

- a. **Physical Infrastructure:** MFDs should maintain necessary infrastructure to support the AMCs in maintaining high service standards to investors and ensure that critical operations such as forwarding /submission of forms and cheques etc. to AMCs/RTAs are appropriately supported.
- b. **Digital Infrastructure:** In view of increased initiatives towards digitization of mode of performance of services, including new client on-boarding, transaction processing and ongoing servicing for investors, MFDs should adopt adequate information technology related infrastructure, including in relation to cyber security measures to maintain confidentiality of electronic data during collection, transmission and storage as well as to mitigate risks related to execution of Mutual Fund transactions through digital platforms.
- c. **Internal control, financial and operational resources:** The MFDs should have internal control procedures and financial and operational systems and processes which can be reasonably expected to detect and prevent mis-selling as well as mitigate financial loss arising from fraud and other dishonest acts, professional misconduct or omissions, theft, or force majeure events. MFDs are encouraged to take up appropriate insurance coverage for their activities.



- d. **Record keeping:** MFDs should maintain adequate records in relation to clients, whether in physical or digital form, as applicable, in compliance with the applicable laws and SEBI regulations, including KYC records as well as correspondence with the investors on particular scheme or transaction suitability and consent/dissent of the investors.

4. Client related obligations

- a. MFDs shall provide full and updated information on schemes, as provided to them by the AMCs, to the investors including SAI, SID, addenda, performance reports, fact sheets, portfolio disclosures and brochures. MFDs shall not deliberately withhold or omit any material fact or information supplied to them by the AMCs from any investor that the investor should know or may want to know, including information about particular scheme or transaction not being appropriate for the investor.
- b. MFDs shall highlight risk factors of each scheme to their investors, desist from making any misrepresentation or exaggerated statements or conceal associated risk factors of a scheme and shall advise and urge their investors to go through SAI/SID/KIM before deciding to make investments.
- c. MFDs shall disclose to the investors all material information including all commissions (in the form of trail commission or any other mode) received or receivable by them for the different competing schemes of various Mutual Funds from amongst which the scheme is being recommended to the investor.
- d. MFDs shall disclose to their clients the list of mutual funds they are affiliated with and inform to the clients that the information provided is limited to the mutual fund products that are being distributed/promoted by the MFDs and also inform the clients that the clients may also consider other alternate products, which are not being offered by the MFDs before making investment decision.
- e. If the MFD is an associate/group company/ sponsor of AMC of a mutual fund, the MFD shall, while providing suggestions to investor, disclose all material information about its association with the concerned AMC and the total amount of commission received/receivable.
- f. In terms of SEBI letter no. SEBI/IMD1/DoF-1/SK/2021/25517/1 dated September 06, 2021, MFDs cannot deal in Direct Plans. MFDs shall ensure that on any digital platform provided by MFD for offering investment facility to investor, it is categorically disclosed that the scheme the investor is subscribing to is of Regular Plan which involves payment of commission to MFD. The link for the rate of commission received or receivable by the MFD for the different competing schemes of various Mutual Funds shall be prominently displayed on the platform indicating the same as a hyperlink. Further, a link to the



scheme offer documents (SID/SAI/KIM) shall also be prominently displayed on the concerned page.

- g. MFDs shall (i) not provide any indicative portfolio or indicative yield or indicative return for any particular scheme or transaction and (ii) abstain from indicating or assuring returns for any particular scheme or transaction.
- h. MFDs engaged in providing other financial services in addition to distribution of mutual fund products, where other financial products with assured return are being offered to clients, MFDs and their employees shall ensure that they do not mis-sell mutual fund products on the basis of indicative or assured return or regular income to the customers seeking to make investments. It shall be explained to the clients that MF investments are not guaranteed or assured return products and that the principal amount may be exposed to risk of loss.
- i. To prevent submission of fraudulent, incomplete, tampered or incorrect forms or applications, MFDs shall set up adequate training and processes to ensure that:
 - (i) information in the application forms (including address and contact details) is filled diligently with the investor's own, accurate and complete information. Whether requested by the investor or not, the contact details / information of the MFDs' Representatives or any other third party is not filled in the application forms, so as to pass-off as the information relating to the investor;
 - (ii) any additions, revisions to the investor's contact details /information is done only upon receipt of such information from the investor or the investor's authorized person,
 - (iii) application forms submitted by the investor are not tampered with, whether by inserting, deleting or modifying any information / field in the application forms,
 - (iv) EUIN of the concerned employee of the MFD is written on the application forms for identification.
- j. MFDs shall endeavor to resolve investor grievances/ complaints arising out of marketing, sale and distribution activities and shall provide complete assistance to the AMCs for redressal of grievances/ complaints.
- k. MFDs shall use marketing material as is provided to them by the AMCs and shall not design their own marketing materials in respect of any scheme or display the name, logo, mark of any AMC without the prior written approval of the AMC.
- l. MFDs shall draw attention of their clients to the disclosures made in the SID/SAI/ /KIM relating to general risks of investing through mutual fund schemes as well as scheme specific risks such as (i) returns being subject to market risk including loss of capital on account of market volatility, force majeure events, changes in political and economic environment, default by issuers of securities to mutual funds, bankruptcy or insolvency



of issuers and potential segregation of portfolio by AMC in such circumstances; (ii) suspension of redemption facility in case the scheme faces liquidity crisis; (iii) risks associated with subscription to new fund offering of the scheme such as price volatility risk, liquidity risk and delisting risk; (iv) winding up of schemes on account of illiquid instruments, higher volume of redemption requests from the investors or on account of unforeseen market events.

m. MFDs shall ensure that comparisons, if any, are made with similar and comparable schemes/ products along with complete facts.

5. Other obligations

- a. Individual MFDs shall obtain NISM certification and register themselves with AMFI and obtain ARN and Employee Unique Identification Number (EUIIN) from AMFI. The NISM certification and AMFI registration shall be renewed on a timely basis. Non-individual MFDs shall register themselves with AMFI and obtain the ARN, and shall ensure that their sales personnel or Representatives engaged in marketing, sale and distribution of mutual fund products hold a valid NISM certificate and AMFI registration / EUIIN. Employees of the MFD in other functional areas should also be encouraged to obtain appropriate NISM certification. MFDs shall quote a valid ARN and EUIIN in the client's application / transaction feed, in order to place transactions in Regular Plan and receive commissions
- b. MFDs shall ensure that their Representatives undergo training on proper conduct for their sales, marketing and distribution activities and focusing on (i) awareness and understanding of their fiduciary obligations towards investors, (ii) adequate procedures to be followed in performance of their functions so as to prevent and detect any frauds and errors, and (iii) responsible usage of social media platform with respect to content standards, authenticity and approval for the information , frequency of usage and other ethical practices.
- c. MFDs shall co-operate with and provide assistance, to AMCs, AMFI, SEBI, competent authorities, due diligence agencies appointed by AMFI/AMCs (as applicable) in relation to their services to the AMCs including by providing copies of relevant documents of the investors in their possession as may be required by AMCs from time to time or as may be called for by SEBI/AMFI / competent authority pursuant to any investigation or other proceeding.
- d. MFDs shall promptly intimate the AMC and AMFI any change in the MFD's status, constitution, address, contact details or any other information provided at the time of obtaining ARN.
- e. MFDs shall refund to the AMCs, (either by set off against future commissions or by payment) all incentives of any nature, including commissions received,



that are subject to clawback as per SEBI regulations or the terms and conditions issued by the respective AMC.

- f. MFDs shall immediately notify the AMC and AMFI, in writing, if any of its Representatives has committed any act amounting to moral turpitude, financial irregularities or has been arrested by the police or whose employment/service has been terminated on account of any of the aforesaid bad acts.
- g. Pursuant to Regulation 3 (3) of the SEBI (Investment Advisers) Regulations, 2013, MFDs shall not use terms such as Adviser / Advisor / Financial Adviser/ Investment Adviser/ Wealth Adviser/Wealth Manager/Wealth Managers, Consultant/s, etc. or any other similar name in their name, unless registered with SEBI as an Investment Adviser. The name of an MFD should reflect the registration held by the entity and should not in any way create an impression of performing a role for which the entity is not registered. The registered name of the MFD shall not contain any misleading phrase about the role of the entity. Thus, every MFD, while dealing in distribution of mutual fund schemes/products, should clearly specify to the client that he /she is acting as a MFD.

MFDs shall mention/display a tagline, "AMFI-registered Mutual Fund Distributor" along with / below their name, in a clear and legible font of at least font size 12, in all forms of printed communication. MFD shall display their name and tagline in a clear and legible font in all forms of communication i.e., website, mobile app, printed or electronic materials, business card, sign board etc.

6. Obligations towards integrity of the Mutual Fund industry

- a. MFDs shall not indulge in fraudulent or unfair trade practices of any kind while marketing, selling or distributing any Mutual Fund scheme. MFDs and their Representatives must observe high standards of integrity and consistently conduct their dealings in a manner to uphold the professional image of the Mutual Fund industry.
- b. MFDs, shall refrain from making false or defamatory statements about any AMC, AMFI, Mutual Fund schemes or other MFDs in any private or public forum (including chat groups, social media, print or electronic press, conferences etc.). MFDs shall maintain professional decorum, provide fair and balanced perspective and not participate in transmitting untrue statements or rumors so as to malign any AMC or Mutual Fund scheme or bring disrepute to any AMC, AMFI or the Mutual Fund industry. Any written or oral communication should be based on facts and be presented in an unbiased manner so as not to mislead the public.

