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**NSE**

**NMF II**

***Frequently  
Asked  
Questions***

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## **1. About NMF II**

### **1.1 What is NMF II Platform?**

Securities and Exchange Board of India has allowed the mutual fund distributors to use the Exchange infrastructure for facilitating mutual fund transactions for their clients. In order to allow distributors and members of the Exchange to access our infrastructure, for executing mutual fund transactions, NSE has developed an online platform NMF II. This is an online platform which facilitates subscription, redemption, Systematic Investment Plan (SIP), Systematic Withdrawal Plan (SWP), Systematic Transfer Plan (STP), Switch and other transactions of mutual fund units.

### **1.2 Is NMF II platform different from Mutual Fund Services System (MFSS)**

SEBI had allowed use of Exchange infrastructure by members of the Exchange for transacting in mutual fund. NSE had launched the MFSS platform for facilitating mutual fund transactions by its members. Subsequently, SEBI in October 2013 allowed use of Exchange infrastructure by distributors. NMF II is a platform for facilitating transactions in mutual fund by distributors. At present, MFSS and NMF II are different platforms. At a later stage, once all the key features of MFSS are made available in NMF II, the MFSS platform may get merged into the new NMF II.

### **1.3 What kind of infrastructure would be required at distributor end for accessing the NMF II?**

NMF II is a web application and it can be accessed online from anywhere using a standard internet connection.



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## **2. Access to NMF II Platform**

### **2.1 Who can get access to NMF II platform?**

NMF II platform can be accessed by distributors and trading members. All trading members and distributors having valid registration with AMFI can transact on NMF II platform.

The distributors have to obtain limited purpose membership with the Exchange for transacting in mutual funds on NMF II platform.

### **2.2 Are all the trading members of the Exchange automatically eligible for accessing NMF II?**

All trading members of the Exchange who are already enabled on the MFSS platform of the Exchange are automatically eligible for accessing NMF II platform. All other trading members will have to apply for enablement on the NMF II platform.

### **2.3 Who can obtain limited purpose membership for accessing NMF II?**

Individuals, partnership firms, corporate entities, banks and all other entities granted registration by AMFI can apply for limited purpose membership for accessing NMF II.

### **2.4 What are the eligibility conditions for obtaining limited purpose membership?**

The eligibility conditions for obtaining limited purpose membership for accessing NMF II are:

- Registration with AMFI having valid ARN.
- Consent for abiding by code of conduct defined by AMFI for distribution of mutual fund.



**2.5 Should the application for limited membership be made in any standard format and what are the documents to be submitted along with application?**

For obtaining limited membership of the Exchange to transact in Mutual Fund schemes the applicant has to submit below given documents:

- Application Form - Annexure 1
- Undertaking to be submitted MF distributor - Annexure 2
- Mandate form - Annexure 3
- Certified true copy of ARN certificates
- Certified true copy of PAN Card
- Board Resolution in case of Corporates.

**2.6 Are there any charges for getting limited purpose membership of the Exchange?**

NMF II platform is being launched for the first time for distributors and hence up to September 30, 2015. there are no charges for getting limited membership of the Exchange. However, a refundable deposit of Rs. 15,000/- is payable by individuals/partnership firms while a refundable deposit of Rs.25,000/- is payable by corporate applicants. With effect from October 01, 2015, in addition to the refundable deposit, NSE would charge a processing fee of Rs. 2,500/- on every application received and a renewal fee of Rs. 2,000/- p.a. (which is required to be paid at the time of renewal of limited purpose membership on a yearly basis).

**2.7 On admission as limited member, would any certificate or authentication issued by Exchange or SEBI?**

On granting of limited membership to access NMF II platform, NSE

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would issue a certificate containing details of membership. Distributor would be required to display the certificate so issued at all the centers from where the customers are getting serviced.

### **3. Enablement Process**

#### **3.1 What is the process to access the NMF II platform?**

**Trading Members** – All trading members of the Exchange who are already enabled on the MFSS platform of the Exchange are automatically eligible for accessing NMF II platform. All other trading members will have to apply for enablement on the NMF II platform.

**Distributors** – Distributors have to submit an application form and undertaking to the Exchange along with certified true copy of ARN certificates and PAN Card along with requisite deposits to the Exchange for obtaining limited purpose membership. Once the Exchange grants him such membership, the distributor shall be enabled on the Exchange MF platform.

#### **User creation and management during enablement**

Exchange will issue a Super User login and password to the member/distributor to access the platform. The member / distributor can create user ids for his employees, agents through the Super User login issued to them. The platform facilitates creation of different types of users with varying rights and privileges. The below given table states rights and privileges for various types of users.

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<b>Functions</b>	<b>Data Entry User</b>	<b>Super User</b>	<b>Branch User</b>	<b>Zone</b>	<b>Cluster</b>	<b>Corporate</b>
Create Sub User	NO	YES	YES	YES	YES	YES
Create Customer	NO	YES	YES	YES	YES	YES
KYC Status	YES	YES	YES	YES	YES	YES
Enquiry	YES	YES	YES	YES	YES	YES
Portfolio Statement	NO	YES	YES	YES	YES	YES
Purchase	YES	YES	YES	NO	NO	NO
Redemption	YES	YES	YES	NO	NO	NO
Switch	YES	YES	YES	NO	NO	NO
Systematic Registration	YES	YES	YES	NO	NO	NO
Systematic Ceasure	YES	YES	YES	NO	NO	NO
Manage Transaction	NO	YES	YES	YES	YES	YES
Transaction Status	YES	YES	YES	YES	YES	YES
Investor Transaction Status	YES	YES	YES	YES	YES	YES
Transaction Import	YES	YES	YES	NO	NO	NO
Non-Financial Request	YES	YES	YES	NO	NO	NO
NFT Packing List	YES	YES	YES	NO	NO	NO
NFT Packing List Scan	YES	YES	YES	NO	NO	NO
NFT Transaction History	YES	YES	YES	YES	YES	YES
Transaction Listing	NO	YES	YES	YES	YES	YES
EOD Report	YES	YES	YES	YES	YES	YES
Systematic Registration Report	YES	YES	YES	YES	YES	YES
Systematic Ceasure Report	YES	YES	YES	YES	YES	YES
Packing List	YES	YES	YES	NO	NO	NO
Generate Payin-slip	YES	YES	YES	NO	NO	NO
Transaction slip	YES	YES	YES	NO	NO	NO
Payin Slip	YES	YES	YES	NO	NO	NO
Change Password	YES	YES	YES	YES	YES	YES
Upload Logo	NO	YES	YES	YES	YES	YES
Family Wrap Creation	NO	YES	YES	NO	NO	NO
Family Wrap ID Status	NO	YES	YES	NO	NO	NO
Family Portfolio Statement	NO	YES	YES	YES	YES	YES



### 3.2 What is the procedure in case access of the platform is required to be given across different branches of the member / distributor?

In case of members/ distributors having multiple branches, they have to submit the details of their branches in below given format to the Exchange for creation of branches in the system. Post creation of branches in the system by the Exchange, member / distributor can create users under respective branches. (The below given table is a dummy branch creation request provided for understanding.)

brok_dlr_code	branch_code	cluster_code	zone_code	region_code
ARN-1234	Bandra	Mumbai	West	West
ARN-1234	Andheri	Mumbai	West	West
ARN-1234	Fort	Mumbai	West	West
ARN-1234	Thane	Mumbai	West	West
ARN-1234	Vashi	Mumbai	West	West
ARN-1234	Nagpur	Mumbai	West	West
ARN-1234	Pune	Mumbai	West	West
ARN-1234	Nasik	Mumbai	West	West
ARN-1234	Indore	Indore	West	West
ARN-1234	Baroda	Gujarat	West	West
ARN-1234	Surat	Gujarat	West	West

### 3.3 What facilities are available for the members / distributors on the platform?

NMF II platform facilitates following activities:-

- Creation of user ids for branches, sub-agents, employees
- Registration of client
- Check KYC status of investor

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- Facility to enquire about investor's transaction / Product summary
- Generating portfolio statement
- Creation of a family wrap i.e. clubbing of family accounts in a single login.
- Incorporating financial transactions
- Updating non financial information
- White labeling of reports to investors.
- Generation of reports (Transaction listing, EOD Report, Packing List, Systematic Reg report and ceasure report).

#### **3.4 What is the procedure to onboard clients on the platform?**

The distributor will have the provision to register clients / investors on the platform. The registration can be done entry wise i.e. single entry one at a time or through a bulk upload facility. Post registration of client on the platform an investor registration form is generated which needs to be signed by the client and is required to be submitted to NSE service centre along with a cancelled cheque (for account no provided during IIN registration). The investor shall be enabled for transacting on the platform only when the investor registration form along with cancelled cheque is received at the service centre.

#### **3.5 Can an investor have multiple registrations on the platform?**

The investor can register on this platform only once i.e. he will have a unique registration on this platform. The investor registration is a combination of his PAN number and mode of holding, accordingly, an investor can have only one registration on this platform based on his PAN + mode of holding.

#### **3.6 Can an investor transact on this platform through more than 1 distributor?**

Yes, an investor can transact with multiple distributors on this platform. In case of an already registered investor, he needs to



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provide his unique identification number (IIN) to the distributors for transacting on the NMF II platform.

### **3.7 Will investors be allowed to access the NMF II platform?**

The distributors can grant online transactional rights to their clients at the time of registration. While registering an investor if the distributor has availed online mode of transaction for a client, the client will receive his login id and password for NMF II platform.

### **3.8 What facilities will investor have on the NMF II platform?**

The NMF II platform facilitates the investors to do the following:-

- Check KYC status
- Facility to enquire about investor's transaction / Product summary
- Generating Portfolio statement
- To incorporate financial transactions on the platform i.e. Purchase, redemption (non demat only), switch
- To view the transaction status
- To Generate reports i.e. Transaction listing, EOD report, View Broker

## **4 Transaction Process**

### **4.1 What types of transactions are supported on the NMFII platform?**

NMF II platform supports financial transactions such as:

- Purchase (NFOs, fresh purchase, additional subscription)
- Redemptions
- Systematic Transactions
- Switch Transactions

**4.2 Are all transactions available in distributor login as well as investor login?**

The distributor shall be able to execute all transactions as mentioned in 4.1 above through his login. The investor login shall support all transactions listed above except for Systematic transactions and redemption of units held in demat form.

**4.3 What type of non financial information updations is facilitated through the platform?**

Non Financial information updation is facilitated for:-

- Change in Name
- Change in Address
- Change of Broker
- Change of Dividend payout option
- Change of Redemption payout option
- Change of Tax status
- Consolidation of Folios
- Lien Marked
- Lien Removed
- NFO Trades reject
- PAN Change
- Registration of nominee

The platform has a provision to enter details pertaining to non financial information updations on the platform; however the request for updations of non financial information along with relevant documents has to be submitted at the service centre for onward submission to RTAs. Investor login does not have provision for updation of non financial information.

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**4.4 What is a mandatory pre-requisite for entering a transaction on the platform?**

The investor has to be KYC compliant to be able to transact on the platform. For all new investors with fresh KYC, for whom the KYC status is not verified or submitted (as reflected on the KRA system which is separate from MF platform), the distributor shall do the initial due diligence / In-person verification and upload the KYC information and supporting scanned documents on the KRA system directly. KRA shall process the KYC application, verify documents and provide the KYC acknowledgement to the investor. The investor will be eligible to invest subsequent to the receipt of the KYC acknowledgement from the KRA.

**4.5 Can only demat transactions be executed on the NMF II platform?**

NMF II platform supports both type of transactions i.e. demat as well as non demat.

**4.6 Is any physical flow of paper involved to conclude transactions executed on NMF II platform?**

For all transactions where the mode of acceptance of transaction is in person and in case of cheque transactions, the distributor has to submit the transaction slip signed by the investor at service centre along with day's packing list by 5.00 PM. However in case of online transactions no physical document is required to be submitted by the investor or distributor.

**4.7 What documents are required to be submitted in case of Systematic Registration transactions?**

For systematic registration transactions, ACH debit mandate form along with cancelled cheque (in case of new folio) and transaction slip is required to be submitted at service centre by 5.00 pm. However, in case of SIP registration in existing folio there is no requirement to submit cancelled cheque, submission of only an ACH debit mandate form along with transaction slip shall suffice.



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**4.8 In case of cheque transactions the cheque has to drawn in which name?**

In case of cheque transactions the payment shall be drawn in favour of "National Securities Clearing Corporation Ltd" and made payable at Mumbai.

**4.9 What are the different modes of making payment available to the investor?**

NMF II supports payment of subscription amount by cheque, demand draft, online payment through RTGS/ NEFT, internet banking and debit card.

**4.10 How many banks are enabled for online payment?**

Currently, 52 banks are enabled for online payment which shall be increased over a period of time.

**4.11 In case of online payments what is the process?**

In case of online payments through net banking the member / distributor can enter the order on the platform on behalf of the investor and forward payment link to the investor to make payment through his login. Alternatively the investor can initiate the transaction from his login and make payment from his net banking. In case of RTGS / NEFT transactions the investor has to register NSCCL account in beneficiary list first to make the payment.

**4.12 The online payment link is valid till when?**

The online payment link is valid for 24 hours only and on expiry of same, a fresh transaction is required to be entered.

**4.13 Can Investor make online payment from only his account registered on the platform or any other account also?**

The investor can make online payment only through his account registered on the platform at the time of investor creation.

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For online payments in case of all banks except HDFC the credit will be received on T+1 basis. In case of HDFC bank the credit will be received on T day.

**4.15 What is the process of NAV applicability?**

In case of transactions for less than Rs. 2 lakhs, the NAV allotment is done on provisional basis which is finalized on clearance of funds. Further, in case of transactions for more than Rs. 2 lakh and Liquid transactions the NAV allotment happens only on realization of funds.

**4.16 What will be cut-off time for order entry and cheque deposit in case of cheque transactions?****Cheque Transactions**

Scheme Type	Subscription Amount	Cheque Criteria Time (T-day)	Order Entry	Cheque Deposit Cut off Time (T-day)
Liquid	Any	HDFC Bank	Before 11.30 AM	12.30 PM
		Non HDFC Bank	Before 3 PM	5 PM
Non-Liquid	Less than INR 2 lakh	Any Bank	Before 3 PM 5 PM	
	More than INR 2 lakh	HDFC Bank	Before 11.30 AM	12.30 PM
		Non HDFC Bank	Before 3 PM	5 PM

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**4.17 When will amount be received by investors in case of Redemptions?**

For redemption orders placed through the MF platform on T-day before 3 pm the funds will be credited in the investor account as per Scheme Settlement calendar.

**4.18 How does the redemption happen when the investor registers with multiple bank accounts? Where do the proceeds get credited?**

The investor can specify bank account (from the list of registered bank accounts of the investor) for the credit of redemption proceeds. In case no specific bank account is mentioned or the bank account specified is not a registered account number, the redemption amount will be credited to the default registered bank account with RTA. The redemption amount will be credited to the requested bank account only if it is available as a part of the investor bank account master maintained with the RTA.

**4.19 Whether investor can submit single cheque for multiple orders submitted either for the same mutual fund or across mutual funds?**

Yes, the investor can submit single cheque for multiple orders submitted for same mutual fund schemes or across mutual funds schemes. However, separate cheques are required to be submitted for normal transactions and systematic transactions i.e. multiple normal transactions can be submitted through a single cheque in favour of "NSCCL" and multiple systematic transactions can be submitted through a single cheque in favour of "NSCCL", but normal transactions and systematic transactions cannot be submitted combined through a single cheque.

**4.20 Does Platform support switch transaction between AMCs?**

To start with the platform will support switch transactions only within the same AMC which shall be upgraded to introduce switch between AMCs.



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**4.21 How is systematic investment transaction incorporated on the platform?**

To execute systematic investment transaction on the platform, in case of existing folio, "Systematic Registration" option can be used. However, in case of new folio the purchase option has to be selected under the transaction screen wherein the type of transaction has to be selected as systematic.

**4.22 What is "manage transactions" option on the platform used for?**

In case of maker/ checker arrangement, the manage transactions options lists transactions pending for authorization by the checker, which can be either approved or rejected by the checker.

**4.23 How does the distributor/ member or investor know the status of their transaction?**

The transaction status option under the transaction tab will show the status of transactions executed on the platform by the distributor i.e. transaction is completed or not and if pending it is at which stage. The member / distributor can also enquire on status of transactions entered by the investors through a tab investor transaction status, for investors mapped under him.

**4.24 Bulk upload facility is available on the platform for what all purposes?**

Bulk upload facility is available for following:

- Investor creation
- Execution of financial transaction

**4.25 What are the reports that the member /distributor can generate in the platform?**

The platform will provide all key investor statements like the:

- Portfolio statement
- Family wrap statement



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- Transaction account summary
- Transaction account statement

These statements can be generated daily or for specified period. This will facilitate distributor to service the investors from their desk.

**4.26 Is any historic data pertaining to client investments made available on the platform?**

Member / distributor login: - All client holdings, demat and non demat invested through the distributor shall be available on the platform on registration of the investor on the platform. The transaction data for past 2 years shall be made available on the platform.

Investor login: - The investor shall have a consolidated view of his investments made through different distributors, provided all those distributors register on the platform.

Note: In case the investor is affiliated with more than one distributor, the investment details of investor done through one distributor cannot be viewed by another distributor.

**4.27 Is there any provision to receive mail back reports on the platform?**

Yes, the distributor will register the platform mail Id with all the RTAs to receive the mail back reports by the facilitation center for necessary updates in the NMF II platform. This step will ensure auto update of the distributor's client portfolio data by the NMF II platform without any intervention by the distributor. On successful auto-update all the required information such as portfolio balance, investor information will be readily available in the enquiry screen.

**4.28 What is the process to redeem units held in demat form through the NMF II platform?**



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In case of redemption of units held in demat form, the investor needs to submit a redemption request slip to the depository participant. On submission of redemption request slip depository

participant shall do extinguishment of units and transfer proceeds in account inked to the demat account of the investor and no request flows to the distributor.

**4.29 Are there any restrictions on maximum or minimum value or quantity for a single order on NMF II platform?**

The restrictions in terms of minimum amount or maximum amount as specified by AMC shall apply, there are no platform level restrictions.

**4.30 What will be the process in case an investor submits multiple purchase requests through a single cheque and one of the transactions gets rejected?**

In case of multiple transactions through a single cheque if one of the transactions is rejected, the rejected transaction shall be identified through reconciliation process and status for that shall be updated on platform and partial refund process in investor account shall be initiated.

**4.31 Does Exchange facilitate disbursement of commission / brokerage to members / distributors?**

Exchange does not facilitate disbursements of commissions to members or brokers, the commission is paid by AMC/RTA to members/ distributors directly as per the industry practice.

**4.32 Once a transaction is submitted on the platform, is there any scope for cancellation of the same.**

No, once a transaction is submitted on the platform it cannot be cancelled.

## **5 Benefits of Platform - Members / Distributors and investors**

**5.1 What are the features available on this platform?**

The features available on NMF II platform are:-



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- Multiple transactions through single cheque or single fund transfer.
- Multiple modes to make payment i.e. cheque, net banking, RTGS/NEFT, debit card.
- Demat as well as non demat transactions facilitated through the platform.
- Access to investor KYC through the platform.
- Real time tracking of order status.
- Sms / email intimation to the investors.
- Mail reports from RTA, facilitated on platform.
- Facility of Switch/SIP/SWP/STP available on the platform.
- Supports non- financial transactions.

#### **5.2 What are the benefits available to distributors/ members on this platform?**

- Access to a state of the art browser based execution platform with rich features.
- Ease of access with no infrastructure costs.
- Reduction in risk and cost associated with handling physical paper.
- Customer profiling and risk analytics tools shall be made available shortly.
- Maximum reach- login to investors.
- Dedicated helpline for resolving queries
- Hassle free and simple empanelment procedure.

#### **5.3 What are the benefits available to investors on this platform?**

- Single consolidated view of investments done through multiple brokers / distributors.
- Single cheque for multiple investments.
- Access to the platform for online transactions.

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- Single registration number on the platform.
- Reduction in risk associated with paper.

## 6 Service Centres

The list of service centers is available on [www.nsenmf.com](http://www.nsenmf.com)

## 7 Contact Details

Name	Contact Number	Email
Processing Help Desk	1800 419 4144	nsemf_bo@nse.co.in
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