

GRC BULLETIN

APRIL - 2025, VOLUME: I

AMFI

Circular for Time limit for renewal of ARN & Payment of commission to MFDs on business procured before expiry of ARN validity

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CORPORATE LAWS

Authority

Association of
Mutual Funds in India
(AMFI)

Circular Date

Mar 26, 2025

Circular Number

CIR/ARN-28/2024-25

Effective Date

Mar 26, 2025

AMFI - CIRCULAR FOR TIME LIMIT FOR RENEWAL OF ARN & PAYMENT OF COMMISSION TO MFDS ON BUSINESS PROCURED BEFORE EXPIRY OF ARN VALIDITY

Applicability: This circular applies to all AMFI members

The circular issued by AMFI provides clarity on the time limit for the renewal of ARN (AMFI Registration Number) and the payment of commission to Mutual Fund Distributors (MFDs) for business procured before the expiry of ARN validity.

Key Points from the Circular:

- Existing Guidelines:** If an ARN is renewed beyond 3 months after expiry, the commission accrued on business procured before expiry will be forfeited. The trail commission will only be paid on new business after ARN renewal.
- Review and Modifications:** Based on feedback from stakeholders and recommendations of the ARN Committee, AMFI has partially modified the previous circular (CIR/ARN-20/2021-22 dated March 28, 2022).
- Revised Guidelines:**
 - If the ARN is renewed within 3 months of expiry, the withheld commission will be released.
 - If the ARN is renewed after 3 months of expiry, the withheld commission will be forfeited.

This circular essentially reinforces existing guidelines without making changes, ensuring compliance and clarity for MFDs regarding ARN renewal and commission payments.

SOURCE: [Click Here for more details](#)



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