

Quadrant II - Notes

Paper Code : COG 142

Module Name: Regulations: Role and Objectives of AMFI

Unit IV: Taxation and Regulations

What is AMFI?

- AMFI is the abbreviated form of Association of Mutual Funds in India.
- The Association of Mutual Funds in India is a non-profit government organisation in the Mutual Funds' sector that acts as a primary regulator under SEBI.
- Thus, the statutory bodies like AMFI India and SEBI were formed to keep investors informed about the Mutual Fund market.
- The organisation was incorporated on 22nd August 1995, and ever since then it helps to set various regulations that maintain the ethics and transparency of Mutual Funds among Indian investors.
- To develop the mutual fund industry and to protect the investors from any loss, AMFI was formed on August 22, 1995.
- The goal of AMFI is to protect the interests of mutual fund and its unit holders.
- It tries to enhance the mutual fund industry on healthy, professional and ethical lines.
- AMFI is a non-profit government organization under the regulation of SEBI (Securities and Exchange Board of India).

- Under AMFI, almost 44 asset management companies are its members and are registered under SEBI.
- Under the regulation of SEBI, your investment process is very easy and transparent. So, you can easily invest in mutual funds because of the industry's strong ethical regulation governed by AMFI. So, to maintain transparency advisers, agents, fund house and trustees should register with AMFI.

ROLE AND OBJECTIVES OF AMFI

1. The most important objective of AMFI is to protect the interest of the mutual fund investors. So, if the investor faces any kind of difficulty or problem, they can easily approach AMFI complain can be filled against any asset management company or fund manager, in case of any kind of malpractices. In order to generate wealth, individuals invest in mutual funds. So, AMFI always tries to protect the investors from any kind of loss.
2. AMFI aims to maintain the proper functioning of the mutual fund industry. It defines high ethical and professional standards in the functioning of the mutual fund industry.
3. To maintain transparency with the fund investors, AMFI publishes information on the mutual fund industry. It also guarantees research and studies by linking with other bodies.
4. In order to maintain all the guidelines, AMFI attempts to associate AMCs, distributors, advisories, agents and other related bodies to involve in financial services or capital market.

5. It maintains its connection with SEBI and functions according to their rules and regulations for the mutual fund industry.
6. AMFI represent to the Reserve Bank of India, Government and other regulatory bodies on the functioning of the mutual fund industry.
7. It not only protects the interest of the fund investors but also protects the asset management companies.
8. AMFI always maintains ethical standards from both ends- investors and asset management companies.
9. Most of the people are simply unaware of the mutual fund and its mode of operation. So, to aware more and more people with the knowledge of mutual fund, AMFI promotes investor awareness program all over India.
10. To educate people with the mutual fund information, AMFI organizes workshops and researches on different mutual fund.
11. It's very important to note that the Code of Conduct should always be maintained. In case of any violation of the Code of Conduct, AMFI can take disciplinary actions.
12. AMFI promotes code of conduct and best business practice which should be followed by all. Asset Management Companies, other members, trustees, advisers, and others who are

engaged in financial services and capital market must follow the guideline of AMFI.

13. To safeguard the interest of investors, the All India Mutual Fund association has also introduced a facility through which individuals can put forth grievances or register complaints against fund managers or any asset management company.