

Press Release Archives

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Launch of Mutual Fund Service System (MFSS)

The entire process of buying and redeeming of mutual fund scheme units takes place manually between the individual investor and the Asset Management Company wherein the investor applies for sale/repurchase of units through an agent/representative of the AMC or directly.

In order to effectively cater to investors spread across the country, the National Stock Exchange of India Ltd./ National Securities Clearing Corporation Ltd. (NSCCL) have launched Mutual Fund Service System (MFSS).

The Exchange with its trading terminals across the country offers a mechanism for collection of orders from the market and NSCCL undertakes the clearing and settlement of the same.

The salient features of the system are as follows:

1. The spot book of the NEAT-IPO system would be adopted for collection of orders for initial offer/sale/repurchase/redemption of units by the investors.
2. The orders collected by the NEAT-IPO system on T day would be received by NSCCL by the end of the day and conveyed to the MFs to facilitate computation of the NAV and the corresponding sale /repurchase prices of the units.
3. The MF would send the Issue / Repurchase prices computed by them to the NSCCL on T+1 day. The respective MF would be the counter-party for each trade.
4. The orders would be cleared and settled on a Trade for Trade basis.
5. Securities settlement would be in dematerialised mode only.
6. Settlement would be on rolling basis with the orders received on T day being settled on T+5 day.
7. The Members are required to deliver the securities / funds due to the Investors within two working days of the receiving the pay-out from NSCCL and no transaction charges will be levied on Members.

Zurich Mutual Fund has already signed up and twelve schemes shall be available under the MFSS beginning Monday December 18, 2000. To begin, thirty-four Members have signed for availing the MFSS facility.

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