



Deputy General Manager
Investment Management Department
Email: chetanf@sebi.gov.in
Phone: [022-26449823](tel:022-26449823)

SEBI/HO/OW/IMD/IMD-SEC1/P/2024/270/1
January 03, 2024

Chief Executive Officer,
Association of Mutual Funds of India (AMFI)
701, Naman Corporate Link, Wing C,
Plot Nos. C-31 / C-32, G-Block,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051.

Dear Sir,

Sub: Uniformity in Cancellation of SIPs across Mutual Funds

1. Based on the recommendations of the Sub-Working group constituted on the captioned matter, whose members constituted representatives from AMFI, RTAs, AMCs, Depositories, Exchanges and other platforms, the following has been decided to be implemented by all AMCs with respect to cancellation of Systematic Investment Plans (SIPs):

1.1. In case of auto cancellation, the below given uniform timeline for treating an SIP as closed / cancelled shall be adopted by all AMCs:

S No.	SIP interval	No. of failed debit attempts prior to cancellation of SIP
1.	Daily	3
2.	Weekly, Fortnightly	3
3.	Monthly	3
4.	Bi-monthly, Quarterly or Longer interval SIPs	2

All AMCs / RTAs shall also send a communication to investor after 1st failed debit attempt, mentioning that the SIP will cease in case of 3 consecutive rejections and another communication after cancellation of SIP intimating the cancellation to the investor.

1.2. When an investor submits request for cancellation of SIP, all AMCs shall ensure that there is cancellation of auto-debit / SIP within 10 calendar days of such request placed by the investor.

1.3. All AMCs shall provide plausible reasons as given below, along with others as and when recommended by AMFI, and with an option to provide comments during premature cancellation of SIPs by investors for all online SIP cancellations.

- 1.3.1. Non availability of funds
- 1.3.2. Scheme not performing
- 1.3.3. Service issue
- 1.3.4. Load revised
- 1.3.5. Wish to invest in other scheme
- 1.3.6. Change in Fund Manager
- 1.3.7. Goal achieved
- 1.3.8. Others, please specify _____

1.4. Further, all AMCs shall ensure that all platforms (i.e., physical and online) of AMC, RTAs, Exchanges and Other Channel Partners which are registering SIPs shall also provide the option for the investor to cancel active SIPs.

1.5. All AMCs to also ensure that the AMC website and their respective RTA websites provides for cancellation of SIPs on their websites irrespective of the origin of registration of such SIPs.

2. In respect of the above proposals, AMFI is advised to communicate to all AMCs of Mutual Funds for implementation of the same by April 01, 2024.

Yours faithfully,

Chetan Fumakiya

