

BACK OFFICE OPERATIONS MODULE

➤ Know Your Client, Anti-Money Laundering &

Combating Financing of Terrorism

- A. Principles
- B. Client Due Diligence
- C. Customer Policy
- D. Clients of Acceptance Special Category (CSC)
- E. Client Identification Procedure (CIP)
- F. Client Registration
 - 1. Proof of Identity (POI)
 - 2. Proof of Address (POA)
 - 3. PAN Card
 - 4. Additional Requirements for non-individuals
 - 5. Unique Client Code
 - 6. Power of Attorney (POA)
 - 7. Nomination
- G. Changes in Client Information
 - 1. Change of Address
 - 2. Change in Bank Details
 - 3. Change in Signatory
 - 4. Minor becoming major
- H. KYC Registration Agencies (KRA)
- I. Suspicious Transactions Reporting (STR)
- J. Designated Individuals & Entities
- K. Record Keeping

➤ Primary Market

- A. Types of Issues
 - 1. Public Issue – IPO
 - 2. Public Issue – Follow-on Offering
 - 3. Public Issue – Offer for Sale
 - 4. Rights Issue
 - 5. Bonus Issue

6. Private Placement
7. GDR / ADR Issues
8. Sponsored GDR / ADR Issues
9. Foreign Currency Convertible Bond (FCCB) Issues
10. India Depository Receipts

- B. Public Issue Process
- C. Time-line for Public Issue
- D. Common Bid-cum-Application Form
- E. ASBA
- F. Buy Back of Securities

➤ **Secondary Market (Trading in Shares)**

- A. National Stock Exchange
- B. Trading Members & Clearing Members
- C. Authorised Persons & Sub-brokers
- D. Trading Member's Responsibilities for Trades
- E. Uniform Documentation for Opening Trading Account
- F. Screen-based Trading System (SBTS)
- G. Trade Management
- H. Market Types
 1. Normal Market
 2. Auction Market
 3. Odd Lot Market
 4. Retail Debt Market
- I. Margin Trading
- J. Exchange Margins
- K. Settlement
 1. Clearing House
 2. Other Agencies Involved in Settlement
 3. Clearing Mechanism
 4. Clearing Process
 5. Settlement Process
 6. Transaction Cycle
 7. T+2 Rolling Settlement Calendar

8. Delivery Versus Payment (DVP) / Hand Delivery
9. Auction Settlement
10. F&O Settlement
11. Books of Accounts
12. Straight Through Processing (STP)

➤ **Depository Operations**

- A. Depository and Issuer
- B. Depository Participant
- C. Transactions
 1. Account Opening
 2. De-materialisation
 3. Re-materialisation
 4. Secondary Market Purchases
 5. Secondary Market Sales
 6. Standing Instructions
 7. Power of Attorney (PoA)
 8. Transposition
 9. Transmission of Securities
 10. Dividends
 11. Pledging Securities
 12. Freezing of Accounts
 13. SMS Alerts

➤ **Registrar & Transfer Agent**

- A. Role & Responsibilities
- B. Voting Rights in Companies
- C. Dividend Payments in Companies
- D. Physical Shares
 1. Transfer Deed
 2. Delays in Transfer of Shares by Companies
 3. Good and Bad Delivery Norms

➤ **Mutual Fund: AMC Operations**

- A. Legal Structure

- B. Net Asset Value (NAV)
- C. Expenses
- D. Load
- E. Offer Documents
- F. Investor Transactions (Normal Physical Mode)
 - 1. Acquisition of Units by Investor from the Scheme
 - 2. Sale of Units by Investor to Scheme
 - 3. Secondary Market Transactions in Units by Investor
 - 4. Redemption of Units on closure of scheme
 - 5. Additional Purchase by Investor
 - 6. Switch by Investor
 - 7. Systematic Investment Plan
 - 8. Systematic Withdrawal Plan
 - 9. Systematic Transfer Plan
- G. Investor Transactions (Through the Internet)
- H. Investor Transactions (NSE MFSS Channel)
- I. Dividend Options
 - 1. Dividend Payout Option
 - 2. Growth Option
 - 3. Dividend Re-investment Option
- J. Dividend Mechanics
- K. Income Distribution Tax
- L. Securities Transaction Tax (STT)
- M. Cut-off Time Regulations
 - 1. Liquid Schemes & Plans - Subscriptions
 - 2. Liquid Schemes & Plans – Re-Purchases
 - 3. Other than Liquid Schemes & Plans - Subscriptions
 - 4. Other than Liquid Schemes & Plans – Re-purchases
- N. Official Points of Acceptance (PoA)
- O. Time Stamping
- P. RTA Role
- Q. Distributors' Commission
- R. Bank Accounts

S. Other Back Office Activities

➤ **Mutual Fund Transactions through NSE**

- A. Listed Schemes
- B. Exchange Traded Funds (ETFs)
- C. Mutual Fund Service System (MFSS)
 - 1. Subscription (Physical mode)
 - 2. Subscription (Demat mode)
 - 3. Redemption (Physical mode)
 - 4. Redemption (Demat mode)

➤ **Qualified Foreign Investors – Equity Shares**

- A. Background
- B. Permitted Transactions
- C. Investment Restrictions
- D. Administration of Investment Limit
- E. Other Conditions
- F. Transaction Flow

➤ **Qualified Foreign Investors – Mutual Funds**

- A. Background
- B. Investment Limit
- C. Transaction Flow
 - 1. Direct Route (Demat)
 - 2. Indirect Route (Unit Confirmation Receipts – UCR)
- D. Other Conditions