



**Deadline for Pooling of Accounts extended to
July 1 2022: SEBI**



Deadline for Pooling of Accounts extended to July 1 2022: SEBI

The securities and exchange board of India has decided to extend the deadline for pooling accounts by two months to July 1 2022.

The regulator decided to halt the pooling of accounts to ensure that the amount used to buy the mutual funds goes straight to the National stock exchange (NSE) or the Bombay Stock exchange (BSE) and not the stock broker's account.

SEBI initiated this action to credit the mutual funds to the investor's account directly. Association of Mutual Funds in India (AMFI) stated that they had requested the regulator to grant them additional time to comply with the rule. This timeline extension will help the industry be technologically prepared to serve its customer base effectively.

When you buy a mutual fund through a broker, the money is credited to the broker's account, and then it gets transferred to the NSE/BSE account for clearance; later, it is credited to the mutual fund Asset management company's account. When the pooling system is stopped, the funds can easily move through the investor's account to the NSE or BSE clearing corporation, and there won't be any need for a stock broker's intervention. This step will enhance transparency and prevent the broker's misuse of investors' money.

After discussions with SEBI, AMFI and regulator, they agreed that the deadline to prohibit pooling of accounts would be July 1 2022. This will enable the body concerned to increase productivity and protect investors' interest by easing out the process of mutual fund subscriptions and redemption.

"We are confident of faster implementation owing to adoption of new-age technology and with the help of other stakeholders such as stock exchanges and channel partners, so that we can further strengthen investor service and their evolving savings need towards newer mutual fund solutions." Said A. Balasubramanian, Chairman of AMFI.



Ganesh Nair
Legal Researcher
R&D Enterslice