



भारतीय रिज़र्व बैंक

**RESERVE BANK OF INDIA**

www.rbi.org.in

**RBI/2009-10/225**

DBOD.No.FSD.BC. 60/24.01.001/2009-10

November 16, 2009

**All Scheduled Commercial Banks  
(excluding RRBs)**

Dear Sir/Madam

**Marketing/distribution of mutual fund/insurance etc., products by banks**

Please refer to our Master Circular on Para-banking activities ([Circular No. DBOD.No.FSD.BC 18/ 24.01.001/ 2009-10](#) dated July 1, 2009).

2. In terms of paragraph 7 thereof, banks have been advised that they can enter into agreements with mutual funds for marketing the mutual fund units subject to certain terms and conditions. Similarly, in terms of paragraph 12 of the above Master Circular, banks have been advised that they need not obtain prior approval of the RBI for engaging in insurance agency business or referral arrangement without any risk participation, subject to the conditions stipulated in Annex 4 of the Master Circular. Banks have also been permitted, vide paragraph 17 of the above circular, to offer purely referral services on a non-risk participation basis to their customers, for financial products subject to certain conditions. In addition to the above, banks also provide non-discretionary Investment Advisory Services to their clients for which approvals are granted by us on a case-to-case basis. Further, in some cases, banks have also been permitted to offer discretionary Portfolio Management Services, through their subsidiaries, subject to certain conditions.

3. In all the activities referred to above, it is likely that banks may be marketing/referring, several competing products of various mutual fund/insurance/financial companies to their customers. Keeping in view the need for transparency in the interest of the customers to whom the products are being marketed/referred, it has since been decided that banks should disclose to the customers, details of all the commissions/other fees (in any form) received, if any, from the various mutual fund/insurance/other financial companies for marketing/referring their products.

4. The above instructions will come into force with immediate effect.

Yours faithfully

**(P.Vijaya Bhaskar)**  
**Chief General Manager-in-Charge**

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हिन्दी आसान है, इसका प्रयोग बढ़ाइये।