



# India TA Policies & Procedures: Not in Good Order (NIGO)

## General Information: -

**Definition** Applications that are incomplete or inaccurate or ambiguous or conditional are termed as Not in Good Order (NIGO). NIGO applications are processed or rejected in accordance with the following guidelines. Applications may therefore be rejected at the counter itself, or subsequently at the time of a good order review either at the branch or at the back office.

### New Cadre of Distributors

Click [here](#) to view details on “New Cadre of Distributors”.

### General Guidelines

- Applications where corrections or overwriting are not countersigned by the investor (all holders in case of JOINT accounts) in particular, all financial information like, Scheme/Plan/Amount etc. will be treated as Not in Good Order and will be rejected.
- Applications where the signature of the investor(s) is/are not in original will be treated as Not in Good Order and will be rejected.
- Applications designed specifically for Equity & Debt/Liquid schemes to be used for investing in Equity & Debt/Liquid respectively

**Note:** As you read further, the document explains NIGO for each transaction type along with its respective Default options.

FATCA:: The following applications will be considered as ‘Not in Good Order’.

The application needs to be checked from FATCA perspective if an investor is with US indicia parameters. 7 US Indicia parameters are as follows:

1. Identification of the Account Holder as a U.S. citizen or resident
2. Unambiguous indication of a U.S. place of birth
3. Current U.S. mailing or residence address (including a U.S. post office box)
4. Current U.S. telephone number
5. Standing instructions to transfer funds to an account maintained in the United States
6. Currently effective power of attorney or signatory authority granted to a person with a U.S. address; or
7. An “in-care-of” or “hold mail” address that is the sole address on file for the Account Holder. In the case of a Pre-existing Individual Account that is a Lower Value Account, an “in-care-of” address outside the United States or “hold mail” address shall not be treated as U.S. indicia.

### Documents to be obtained for Individual (Onboarding)

| Indicia   | Process            |
|---|--------------------|
| U.S. Citizen/Green Card Holder Resident in the U.S. | Reject Application |
| U.S. Residence or Correspondence Address            |                    |
| Payment Mandate to a U.S. Bank Account              |                    |
| PoA with U.S. Address                               |                    |

| Indicia  | Documentation Required  |
|--|---|
| U.S. Citizen/Green Card Holder Resident In India or non U.S. Country | If no rejection criteria are met [see above]: Obtain a <a href="#">W-9</a> . Including the U.S. TIN |

|  |  |
|--|--|
| U.S. Telephone Number (Dialing Code +1, 001); <b>OR</b><br>In-Care of or Hold Mail Address that is the only<br>address on file | If no rejection criteria are met<br>[see above]: Gather either:<br>a <a href="#">W-8BEN</a> together with a<br>certificate of tax residence or<br>government identification<br>document confirming citizenship<br>in a country outside of the US or<br>Gather a <a href="#">W9</a> together with the<br>US TIN |
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Attached is the acceptable Curing Documents.



Acceptable Curing  
Documents.docx

**Documents to be obtained for Non-Individual (Onboarding)**

- No US Indicia parameter check for Non-Individual
- Non-Individual investors are expected to declare their FATCA Classification status and provide W-8 BEN- E or any other appropriate IRS form from the W-8 suite or *industry standard forms (under discussion)*
- Without the appropriate IRS form the application would be considered NIGO.

**Details required and impact of FATCA**

- Obtain self certification to gather Tax Residency and Tax ID from all investors.
- All US individual investors (identified by US Indicia parameters) are required to provide documents prescribed by US IRS to confirm their US Tax residency status.
- All Non-individual investors must submit IRS form while on-boarding.
- A value based check will be applied to all **pre-existing investors** for due diligence and reporting purposes
  - Pre-existing investors are investors registered with FTI till 30 Jun 2014
  - Due diligence on pre-existing investor accounts needs to be completed by 30 Jun 2016
- Account Threshold for Pre-existing accounts:

|                      |   |
|----------------------|---|
| De-minimis accounts  | < or = to US\$50K for an individual or < or = to US\$250K for an non-individual                   |
| Lower value accounts | > US\$50K < or = to US\$1m for an individual, > US\$250k, < or = to US\$1m) for an non-individual |
| High value accounts  | > US\$1m  |

Please note:

- Applications include a self-declaration section and investors are expected to declare whether they are a US citizen or US tax payer.
- If the investor declares they are a US citizen or US tax payer and not provided TIN number, a W9 form will be issued to ascertain the tax status. If a completed form is not received along with the curing documents, the application will be rejected and existing operational process will take place with regard to return of funds.
- For Fresh Investors with US indicia parameters, while registering FATCA documents are not provided, we will not allow for registration.
- For existing investors with US indicia parameters, but FATCA documents are not provided, we will mark the account as Recalcitrant or NIGO and a communication sent to investor.

## **New Purchases: - The following applications will be considered as 'not in good order' (NIGO) and are liable to be rejected**

### **New Purchases, or Purchases by Existing investors into Scheme**

- Applications that are not signed by the investor, or all holders in case of **JOINT** accounts.
- Any one of the following not submitted alongwith application as KYC compliant
  1. KYC application alongwith respective documents for all applicable holders
  2. KYC acknowledgement for all holders\*

\*In case of minor OR investment through POA, documents have to be submitted for Guardian / person making the payment & POA holder and investor respectively.

- Applications not accompanied by a signed and valid cheque instrument or payment advice. More detailed options are as below:
  1. Applications where the cheque is overwritten but not countersigned by the investor.
  2. Applications with post dated cheques.
  3. Applications with cheques dated prior to three months
  4. Cheque is not signed by the investor.
  5. Applications with Non-MICR cheques
  6. Applications with Outstation Cheques that do not fall under speed clearing.
- Applications not meeting the minimum amount required or multiples as specified in the KIM (Key Information Memorandum) and the Common Application form.
- Application without certain details in following cases:-
  1. Templeton India Pension Plan - date of Birth of the applicant.
  2. Templeton India Children Asset Plan (TICAP) - DOB of beneficiary child
  3. Application under Minor - DOB of Minor & name of Guardian
- Investments by non individuals including HUFs in Templeton India Pension Plan
- Investments by investors who have crossed the age of 60 years in Templeton India Pension Plan.
- Investment amount not in multiple of Re.1 for all schemes except ELSS schemes
- If the amount invested is not in multiples of Rs.500/- in Franklin India Tax Shield Fund
- For Non Resident investors, where the status of investments (Repatriable or Non Repatriable) is missing, and the same cannot be determined from the cheque/bank details on the application.



- Status mentioned as 'Repatriable', but cheque issued from a bank account other than an NRE account
- For NRI application, cheque issued from resident account (this is only for NRE status and for NRO investor we do accept)
- Where the address of the investor is not available in the application form and the investor is not KYC compliant
- Where investments are made by corporate investors / Trusts or Companies, if the necessary supporting documents like MOA/ Authorized signatories list / Board Resolution / Trust deed etc (as applicable) do not accompany the applications.
- Applications with US addresses.
- Investments in Close Ended Schemes (After NFO allotment).
- Where a Power of Attorney (POA) has not been submitted by the unit holder/ POA holder along with the application. Incase the unit holder and the POA holder have not signed the POA and KYC for POA holder is not available.  
**Note:** In case photocopy of POA is being submitted; the same should be attested as 'True Copy' by a Notary Public or a magistrate or a Gazetted Officer. Also ensure that the original POA is notarized. Investor can submit photocopy of POA showing original document at any of the FT branch offices for verification and attestation by FT Branch employee.
- Where investor has not mentioned the details of the bank account from where the payment for subscription is being made in the subscription form. The details required are - bank account number, bank name, bank branch name and the cheque / demand draft number.
- **Nominee is mandatory for customers registered on or after 01-April-2011 with social status as "Individual" and mode of holding as "Single"**
- **Minor through Guardian investment cannot have a nominee**
- If any of the above is not available on the cheque, investors should submit any one of the following documents viz. Copy of Bank Pass book / Bank Statement stating the name(s) of the account holder(s) and the account number along with a cancelled cheque leaf. These copies should be notarized or attested by the bank branch Manager. Alternatively the investor can produce the original documents at our branch / collection centers for verification.
- Where payment is made from a bank account other than that of the beneficiary investor, the same is referred to as a "Third Party Payment" and hence rejected except in following cases: -
  - a) Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs.50,000/- (each regular purchase or per SIP installment); There is no limit if the payment is from a guardian's account (guardian should be natural parent or appointed by court).
  - b) Payment by Employer on behalf of employee under SIP /



- Lumpsum through Payroll deductions;
- c) Payment by Employer towards subscription in the name of employees as bonus/incentive paid in form of mutual fund units;
  - d) Custodian on behalf of an FII or a client; and
  - e) Investment in Templeton India Children's Asset Plan – Gift Plan by eligible investors to assist the beneficiary child, provided the payment is made from the investor's account.

#### **Criteria for checking Third Party payments -**

#### **Third Party Payments**

##### **a. Payment made through Cheque -**

1. Cancelled cheque leaf: The name of the first unit holder not pre-printed on the cheque.
2. If the name of the first unit holder is not printed on the cheque and signature on the cheque does not match with the signature of the first holder in the subscription form.
3. If any of the above is not available on the cheque, and investor has not submitted any one of the following documents to establish that the payment is made from the bank account in which the first holder in application form is one of the bank account holders viz. Copy of Bank Pass book / Bank Statement stating the name(s) of the account holder(s) and the account number along with a cancelled cheque leaf. These copies should be notarized or attested by the bank branch Manager. Alternatively the investor can produce the original documents at our branch / collection centers for verification.

##### **b. Payments made by RTGS/NEFT/ECS/Bank Transfer:**

1. If the Purchase application is not submitted along with a copy of the instruction to the bank stating the account number debited

##### **c. Where payment is through Demand Draft, if any of the following is not submitted:-**

- a. A proof of debit to the investor's bank account in the form of a bank manager's certificate with details of account holder's Name, bank account number and PAN as per bank records, if available.
  - b. A copy of the acknowledgement from the bank, wherein the instructions to debit carry the bank account details and name of the investor as an account holder are available.
  - c. A copy of the passbook/bank statement evidencing the debit for issuance of a DD.
- Where payment is through pre-funded instruments, if it is issued against cash for investments of Rs.50, 000 or more and is not accompanied by a certificate from the banker giving name, address, PAN (if available) of the person who has requested for the demand draft.

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#### **Defaults for New Purchases**

- **Where the mode of holding is not mentioned, an application will be treated as either SINGLE or JOINT based on the number of applicants and number of signatures on the form.**

- In case more than one investor's name appears in the application form, but the application form has been signed by the first holder only, the same will be processed with the mode of holding as SINGLE in favour of the first holder.
- In case the status of the investor is not available, the default status would be:
  1. Individual- if only individual name is written in the application.
  2. NRI- if the chq is issued from NRO/NRE account and bank account details are NRE / NRO.
  3. HUF – if HUF stamp is affixed on application or if the name specifies so
  4. Company – if Company stamp is affixed on application or if the name contains the words 'private limited' or 'limited'.
  5. Trust – if the name contains the word 'Trust'.
- In case the amount specified on the cheque /instrument or payment advice differs from the amount on the application, the application will be processed for the amount of the cheque /instrument or payment advice only.
- Application where the scheme name or abbreviation is available, but specifics of the plan or options are not mentioned will be processed as per the default options listed in the KIM.
- Where the investor has mentioned both Plan/Options i.e. Dividend and Growth, the application will be processed as per the default option of the particular scheme listed in the KIM
- Investments in Templeton India Children's Asset Plan - Gift will be allowed only for Minor through Guardian investment
- If the scheme name in the application is different from the scheme name in the cheque, the transaction will be processed as per the application.
- If the scheme name is not mentioned in the non FS application form, the transaction will be processed as per the scheme name appearing in the cheque / payment advice.
- If an investor mention the folio number (CCF) and new scheme name without the details (payout bank, communication address & nomination etc.) then the details will be captured from last transacted account. The last transacted account is determined by the date of the latest Purchase, Redemption or Switch transaction, or the date of registration of a Systematic Investment, Transfer or Withdrawal Plan.
- Where investor has provided payout bank details without supporting documents e.g. personalized cheque or signed cancelled cheque copy. In such cases, the pay-in bank details are captured as default from the pay-in cheque.
  - In case investment is from minor through guardian with joint holder (s), application will be processed with 1<sup>st</sup> holder only i.e. MINOR

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## **Additional Purchases: - The following applications will be considered as 'not in good order' (NIGO) and are liable to be rejected**

### **Additional Purchases**

- Where the existing unit holder information is incomplete i.e. full customer folio/account number (all digits) as allotted to the unit holder is not provided in the application form.
- Applications not accompanied by a signed and current valid instrument or payment advice.
- Investment amount not in multiple of Re.1 for all schemes except ELSS schemes
- If the Additional investment's amount invested is not in multiples of Rs.500/- in Franklin India Tax Shield Fund.
- Applications not meeting the minimum amount required or multiples as specified in the KIM (Key Information Memorandum) and the Common Application form.
- If the Additional Purchase request form is not signed by all the holders in case of joint mode of holding.
- Applications where the cheque is overwritten but not countersigned by the investor
- Applications with post dated cheques.
- Applications with cheques dated prior to three months
- Application with Outstation Cheques that do not fall under speed clearing.
- Investments by investors who have crossed the age of 60 years in Templeton India Pension Plan.
- Investment in Close Ended Schemes (After NFO allotment)
- Application with Non-MICR cheque
- Where a Power of Attorney (POA) has not been submitted by the unit holder/ POA holder along with the application. In case the unit holder and the POA holder have not signed the POA and KYC for POA holder is not available. **Note:** In case photocopy of POA is being submitted; the same should be attested as 'True Copy' by a Notary Public or a magistrate or a Gazetted Officer. Also ensure that the original POA is notarized. Investor can submit photocopy of POA showing original document at any of the FT branch offices for verification and attestation by FT Branch employee.

Any one of the following not submitted alongwith application for non KYC compliant accounts :

- KYC application alongwith respective documents for all applicable holders

- KYC acknowledgement for all holders\*

\*In case of minor OR investment through POA, documents have to be submitted for Guardian / person making the payment & POA holder and investor respectively.

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**Defaults for  
Additional  
Purchases**

- **In case of a difference between Investor's Account number and the scheme name mentioned in the application, the same will be processed based on the investor's scheme name mentioned in the application**
- **If the scheme name in the application is different from the scheme name in the cheque, the transaction will be processed based on the scheme name available in the application**
- **In case the amount on the cheque/instrument or payment advice differs from the amount on the application, the same will be processed for the amount of the cheque /instrument or payment advice only**
- **In case the account number is valid but does not belong to the common customer folio (CCF) number given in the application, then the transaction will be processed in the given account number**
- **If an investor provides all details, including scheme plan, option except the account number and there is only one existing account matching with this in the folio, the purchase will be processed into that account.**
- **If an investor provides all details, including the scheme plan, option except the account number and there are multiple matching accounts in that folio then the purchase will be processed into any one of the existing matching accounts.**
- **If an investor only provides the scheme name, but not the plan and /or option, transactions will be processed based on the following rules:**
  1. If there is one account of the scheme in that folio, the transaction will be processed into that account irrespective of whether it is the default option.
  2. If there are multiple accounts in different scheme options in the folio, the transaction will be processed in the account under the default option.
  3. **If there are multiple accounts of the default option in the folio, the transaction will be processed into any one of the existing default accounts.**
  4. If there is no account in that scheme under the folio, a new account in the default option will be created.
- **If the account number, common customer folio (CCF) and fund name is mentioned in the form but the account number is incorrect then the application will be processed based on CCF and fund name mentioned the application and new account number will be created**
- **If an investor does not provide their bank details in an additional**



**purchase in new scheme, the bank details from the last transacted account will be used**

- **If an investor mentions his/her Existing Folio number with different mode of holding the same Existing Folio Number will be considered and Units allotted with the existing mode of holding already available with FT.**
- **If an investor mentions his/her Existing Folio No with different status the same Existing Folio Number will not be considered and Units allotted with a New Folio.**

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## **Redemptions: - The following applications will be considered as 'not in good order' (NIGO) and are liable to be rejected**

### **Redemptions**

- Application with incomplete details i.e. full account number / customer folio number (all digits) as allotted to the unit holder is not provided.
- If the appropriate transaction field is not completely filled out by the investor i.e. units or Amount.
- Applications that are not signed by the investors, or all holders in case of **JOINT** mode of holding.
- For Units under Lien, where the lien release documents do not accompany the redemption request
- In case of a difference between investor's account number and the scheme name mentioned in the application.
- If the investor has the balance amount more than the minimum amount required for redemption (as per amount specified in the KIM) and is requesting for a redemption amount lesser than the minimum amount
- In case of a difference between the amount in figures and words, the transaction will be rejected
- If folio number given is without a scheme name or account number and there are 2 or more schemes / accounts available under the folio
- If folio number is given with scheme name and there are 2 or more accounts available under the same scheme.

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### **Defaults for Redemptions**

- **If the number of units and all units mentioned in the request for redemption, all units (Cleared units) will be considered.**
- **Where the number of units and an amount is mentioned, the number of units (cleared units) will be considered.**
- **If the amount requested for redemption is more than the amount available in the account , then entire amount will be redeemed**

- If the account number is valid but does not belong to the common customer folio (CCF) number given in the application, then the transaction will be processed in the given account number
- If scheme name does not match with scheme name mentioned in the application but only one account number available under mentioned Folio then the transaction will be processed in same account.
- If the investor wishes to receive the redemption cheque in the new bank account, he/she has to specify the same in the redemption request. If it is specified in the redemption request, the redemption payment will be made after the verification/validation process is done (within 10 calendar days from the date of the redemption/COB request). If this is not specified, the payment will be made in the default bank account. For example please refer the attachment
- If the number of units requested for redemption is more than the number of units available in the account, then the entire number of units (Cleared units) will be redeemed



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**Switches: - The following applications will be considered as ‘not in good order’ (NIGO) and are liable to be rejected**

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**Switches**

- Where the existing unit holder information is incomplete i.e. full account number (all digits) as allotted to the unit holder is not provided in the application form.
- If the appropriate transaction field is not completely filled out by the investor i.e. units or Amount.
- If the Source and Destination Fund/Scheme/Plan details are not provided in the request
- If the source account number does not match with the source scheme name (wherever given) (For e.g. Account number of Franklin India Bluechip Fund but scheme name of Franklin India Flexicap Fund)
- If the destination account number does not match with the destination scheme name (wherever given) (For e.g. Account number of Templeton India Treasury Management Account but scheme name of Franklin India Prima Fund)



- Applications that are not signed by the investors, or all holders in case of mode of holding **JOINT**.
- For Units under Lien, where the lien release documents do not accompany the switch request
- If the name(s) and or address of the investor(s) in the source and destination accounts are not matching.
- If folio number given is without a scheme name or account number and there are 2 or more schemes or accounts available under the folio
- In case of Switch-out of units prior to realization of funds for the units being switched-out. Transaction will be processed to the extent of free units available in the account. If no free units are available transaction is liable to be rejected

Any one of the following not submitted alongwith application for non KYC compliant accounts :

- KYC application alongwith respective documents for all applicable holders
- KYC acknowledgement for all holders\*

\*In case of minor OR investment through POA, documents have to be submitted for Guardian & POA holder and investor respectively.

#### **Defaults for Switches**

- **Switch transactions will be processed only if the day is a BUSINESS DAY for both the Source and Destination Funds.**
- **If the account number is valid but does not belong to the common customer folio (CCF) number given in the application, then the transaction will be processed in the given account number**
- **If the existing account number is given (for the destination fund) in the switch request, but if the mode of holding of the source account number and the existing account number (destination fund) is not matching, the switch transaction will be processed into a new account in destination fund which will be set up identical to the source account**
- **If the number of units and all units is mentioned in the request for Switch, all units (Cleared units) will be considered.**
- **If the number of units and an amount is mentioned, the number of units (cleared units) will be considered**
- **If Folio number does not match with scheme name mentioned in the application but only one account number available under mentioned Folio then the transaction will be processed in same account.**
- **In the case of a Switch / Exchange, if the request does not specify the destination scheme account number but only provides the scheme name, and there is no account in that scheme under the folio then a new account in the default option will be created.**

- **Investments in Templeton India Children's Asset Plan Gift will be allowed only for Minor Through Guardian investment**
- **If the number of units requested for switch out is more than the number available in the account, then the entire number of units (cleared units) will be switched into destination scheme.**
- **Investments under Taxshield Fund**
- **As per the Key Information Memorandum, any switches into Tax Shield fund should be in multiples of Rs.500 only. However, if the customer has requested for a switch based on a certain number of units, it may not match the requirement stated above. For example, if the customer has requested for 100 units to be switched out and this amounts to Rs.26,125/-, based on the KIM, only Rs.26000 would be switched into Tax Shield and will be subject to completion of the lock-in period. The balance value (in this example) of Rs.125 will be maintained in the source account.**

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## **Systematic Investment Plan: - The following applications will be considered as 'not in good order' (NIGO) and are liable to be rejected**

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### **SIP**

- Where all cheques are not for the same amount, including the first cheque
- Where the application or cheques are not signed by the investor/s.
- Where the application is not accompanied by the prescribed minimum number of cheques (6 cheques or 12 cheques as the case may be) each cheque meeting the minimum amount criteria.
- Applications with cheques dated prior to three months
- Application with Outstation Cheques that do not fall under speed clearing and not covered under the Citibank arrangement list.
- Where the dates of the Post dated cheque are not as per the prescribed dates (1st, 7th, 10th, 20th or 25th)
- Where the bank details of the investor are not provided (bank, branch and account number)
- If the SIP facility is not available in the requested fund scheme.
- If scheme in purchase application and SIP ECS form / cheque do not match, and the purchase application does not meet the minimum criteria for new investment, then the application will be rejected.

Any one of the following not submitted alongwith application for non KYC compliant accounts :

- KYC application alongwith respective documents for all applicable holders



- KYC acknowledgement for all holders\*  
  
\*In case of minor OR investment through POA, documents have to be submitted for Guardian & POA holder and investor respectively.
- Address proof & identity proof for Central Government, State Government and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) and Sikkim residents and investments through MICRO SIP.
- MICRO SIP declaration form along with identity proof signed by all holders in case mode of holding is JOINT.

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**Prescribed  
Formats for  
submitting SIP  
applications**

The SIP through ECS / Direct Debit Form, and the Common Application Form (in case of new investors), along with the necessary cheque or copy thereof should be submitted at least 30 days in advance of the date of the first ECS / Direct Debit Transaction.

**Application with Post dated cheques:-**

- a. Fresh Investment – Common Application Form & Common Transaction form.
- b. Existing Investments – Common Transaction Form.

**SIP through HDFC Bank – Direct Debit (Standing Instruction):-**

- a. Fresh Investment - Common Application Form & the Standing Instruction Request in the format prescribed by HDFC Bank.
- b. Additional Investments - Common Transaction Form and the Standing Instruction request in the format prescribed by HDFC Bank

Acceptance of **HDFC SI** form for NON ECS Locations, provided, the investor holds a bank account with HDFC Bank

There is no restriction on the broker code and the SIP Dates. The HDFC SI form for NON ECS Locations can be accepted for all broker codes and any SIP date

**SIP through Royal Bank of Scotland (RBS) – Direct debit (Standing Instruction):-**

- a. Fresh Investment - Common Application Form & Common Transaction Form and Standing Instruction Request in the format prescribed by Royal Bank of Scotland (RBS).
- b. Additional Investments - Common Transaction Form and the Standing Instruction request in the format prescribed by Royal Bank of Scotland (RBS)

**Note:** For SIPs done through RBS, the same needs to be essentially submitted at Royal Bank of Scotland (RBS) only and not at the FT Branches

**SIP through ECS:-**

- a. Fresh Investment - Common Application Form & ECS form.
- b. Additional Investments – ECS form



- c. If SIP request is submitted in any form other than the above, the transaction would be not accepted.

**Note:** Whenever a renewal of an SIP is done, investors have to fill up a fresh Common Transaction Form and submit the same along with the PDCs. In case of SIP through ECS, if there is a change of bank or bank account number given by the investor, then the change request shall be accompanied by a cancelled or photocopy of the cheque along with relevant particulars (like ECS Account Number, ECS Bank, ECS Account type etc.)

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## **Systematic Transfer Plan, Systematic Withdrawal Plan & Dividend Transfer Plan: - The following applications will be considered as 'not in good order' (NIGO) and are liable to be rejected**

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### **Systematic Transfer Plan, Dividend Transfer Plan and Systematic Withdrawal Plan Transactions**

- Applications that are not signed by the investors, or all holders in case of mode of holding **JOINT**.
- If the appropriate transaction box is not completely filled out
- Where the minimum amount requested is less than the minimum amount specified for the facility.
- If the requested facility is not available in the scheme
- Where the option of Fixed Amount or Capital Appreciation is not mentioned, or in case of Fixed Amount, where the amount is not mentioned in the request.
- In case of STP, if the Capital Appreciation option is requested from any plan other than the growth plan of the Source Schemes.
- In case of STP/DTP, where the details of the Source Fund/Scheme/Plan or account number and the Destination Fund/Scheme/Plan or account number are not provided in the request.
- If the investor does not have adequate balance in the account at the time of registration of STP / DTP / SWP request as per the terms of the facility.
- If STP/SWP requests is not filled in the prescribed form by the investor i.e. in the Common Transaction form

Any one of the following not submitted alongwith STP application for non KYC compliant accounts:

- KYC application alongwith respective documents for all applicable holders
- KYC acknowledgement for all holders\*

\*In case of minor OR investment through POA, documents have to be submitted for Guardian & POA holder and investor respectively.

**Defaults for  
SIP, STP &  
SWP**

- If scheme in the purchase application (new investment) and SIP ECS form / cheque do not match then the transaction will be processed as per the application if minimum criteria is met and ECS will be processed as per ECS application.
- If scheme in the purchase application and SIP ECS form / cheque do not match then the transaction will be processed as per the application if existing account number of the same scheme is mentioned and ECS will be processed as per ECS application.
- In case the end date for an SIP with PDCs is not mentioned, the SIP would end once the current cheques in hand are exhausted
- In case the specified date is a non-business day for the scheme, the SIP will be processed on the following business day for that scheme.
- In case of SIP through ECS or Direct debit mode, if the end date is not mentioned, it would be assumed that to be 36 months from the date of commencement
- In case the Frequency (Monthly/Quarterly) and SIP date is not mentioned in ECS form, Monthly frequency shall be treated as the Default Frequency and 10<sup>th</sup> shall be treated as the Default date
- In case of SIP investment for minor through guardian, SIP end date will be validated with the date minor attaining majority. If SIP end date is greater than the date of minor attaining majority then SIP will be registered till the date minor attaining majority
- Minor attains majority at the age of 18 incase of natural guardian & at the age of 21 incase of legal guardian.
- Only one instalment per month is allowed under one account (one SIP registration) e.g., if for a monthly SIP the first instalment is in the month July, let's say 1<sup>st</sup> July then the second instalment should be in August.
- In case the end date for an SWP/STP is not mentioned, the same would be assumed to be 36 months from the date of commencement, subject to adequate balance being available in the account.
- If the existing account details are not provided in the destination account field for STP, units/amount will be transferred to a New Account which would be created as per the scheme & plan specified by the investor in the STP application.
- If during the currency of a SIP/STP, the unit holder changes the plan or option in which he/she had invested, the same would be treated as termination of existing SIP/STP and re-registration of a new SIP/STP and all the terms and conditions of the SIP/STP like minimum term/amount etc. shall apply in both plans/options. Switch from existing account is possible & SIP will continue from existing / old account.  
For example - If an investor has SIP ongoing in FIBCF GP till



2012. However as a one time transaction, if he wants to do a switch then he can do so. The balance SIPs will continue in the same FIBCF GP Scheme till 2012.

- In case of a monthly/quarterly STP with Fixed Amount Option, if the unit holder specifies 30<sup>th</sup> or 31<sup>st</sup> of the month (28<sup>th</sup>/29<sup>th</sup> in case of February) as the “Specified Date” for the STP transaction, then the STP shall be processed on the day, which is the last business day in that month for both the schemes.
- At least 7 days prior intimation should be given to nearest ISC for commencement of a fresh STP or cancellation/termination of an existing STP.

For example:-

1) Where the Start Date of the STP is not mentioned, then for an STP under Monthly/Quarterly option, the Start Date shall be deemed to be 15<sup>th</sup> day of the month in which the STP is submitted, if submitted before 8<sup>th</sup> day of the month.

2) The start date shall be deemed to be the last business day of the month for both the schemes, provided it is submitted before 23<sup>rd</sup> of the month.

3) If the STP is submitted after 23<sup>rd</sup> of the month, the Start Date shall be deemed to be 15<sup>th</sup> day of the next month.

- For STP under Weekly option, the Start Date shall be deemed to be the first available STP date under Weekly Option after a period of 7 days from the date of submission of the STP request.
- Where the Start Date of the SWP is not mentioned, then the same shall be deemed to be the first available SWP date depending upon the option chosen by the unit holder, after a period of 7 days from the date of submission of the SWP request
- Investments in Templeton India Children's Asset Plan will be allowed only for Minor Through Guardian investment

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**Non Commercial Transactions: - The following applications will be considered as ‘not in good order’ (NIGO) and are liable to be rejected**

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**Non Commercial Transactions**

- Applications that are not signed by the investors, or all holders in case of mode of holding **JOINT**.
- Where the appropriate transaction field is not filled in the multiple bank account registration form.
- Application with incomplete details i.e. full account number / customer folio number (all digits) as allotted to the unit holder is not provided



### **Multiple Bank Accounts Registration and Change of Bank: -**

- Mandatory documents not submitted alongwith Multiple Bank Accounts Registration (MBM) form for a) Addition of bank accounts b) Registration of Default Bank account and c) Bank Account Deletion d) Change of Bank
  - a) Cancelled cheque leaf with names of the bank account holders pre-printed (name of first unit holder should appear on the cheque)

#### **If the name of the first unit holder is not pre-printed on the cheque,**

- Bank statement disclosing names of account holders, account number and address along with cancelled cheque leaf required to be submitted.  
OR
- Pass book page with account number, name & address along with cancelled cheque leaf required to be submitted.

Investor can also now submit self attested Bank Statement / Bank passbook along with original chq leaf

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#### **Other Defaults - Broker code & Multiple Bank Account Register Related**

- **Where the ARN code of the broker for the new transaction is wrong or incomplete, the broker code will be captured as 'UNKNOWN' and for cases where there is no broker on the account or it is a first time transaction, the default option would be considered as "Direct"**
- **If in the application form, the space for mentioning broker code is blank, transaction will be processed as "Direct" even if there is single broker for earlier transactions in the account.**
- **Broker codes will be processed under UNKNOWN in the following situations:-**
  - a) Broker code is corrected but not countersigned by the investor in the application.
  - b) If the broker code is not clear in the application.
  - c) If there are multiple broker codes mentioned in the application
- In case of existing investors, the existing bank mandate will be treated as default bank account till the investor gives a separate request to change the same to any of the other registered bank account(s).
- In case of new investors, the bank account mentioned in the Purchase application form used for opening the folio, will be treated as the default bank account until the investor gives a separate request to change the same to any of the other registered bank account(s).
- Investors will not be allowed to delete a default bank account unless he/she registers another registered bank account as default account
- Change of Address (COA) - For Customers who are not KYC compliant, along with current process of seeking signed written request, proof of address and proof of identity would also be required. If PAN is updated and verified in our records, **only PAN would be accepted as ID proof**. If PAN is not updated and verified in



our records, PAN or any other proof of identity is acceptable - passport, driving license, voter ID, UID (Adhaar). For clients who are KYC compliant, the procedure for updation of address remains the same

## **Family Solutions –The following applications will be considered as ‘not in good order’ (NIGO) and are liable to be rejected**

### **New Purchases, or Purchases by Existing investors into Scheme**

- FS transactions through Channel partners will not be accepted. To clarify, this restriction applies only to the application made through online platform or electronic feed. There is no restriction on any physical application being submitted under the ARN code of such channel partners.
- FS transactions through Stock Exchanges will not be accepted.
- If the investor submits a normal application form along with goal sheet, the application will be treated as “Non FS application” and distributor will not get tracking facility.
- If the investors’ name on the goal sheet and the FS application form does not match, we will process the transaction as per the name appearing in FS application form.
- If the goal details and scheme details on the goal sheet and FS application form are different, we will capture the goal and scheme details as per FS application form and process the transaction. However, the tracking facility will be available only for those goals/schemes that are exactly matching with the goal sheet and FS application form. For the mismatch cases, investors/advisors have to submit a fresh goal sheet which should be in line with the FS application.
- If the goal details and scheme details on the goal sheet and ECS application form are different, we will capture the goal and scheme details as per ECS application form and process the transaction. However, the tracking facility will be available only for those goals/schemes that are exactly matching with the goal sheet and ECS application form. For the mismatch cases, investors/advisors have to submit a fresh goal sheet which should be in line with the ECS application.
- Investors have to submit FS application form along with single cheque (for a lumpsum / SIP) for a particular goal. Multiple cheques along with FS application form for a goal/across goals will not be accepted.
- Irrespective of the amount of investment recommended through the Family Solutions Planner, the minimum investment amount for fresh and additional purchase in each scheme shall be as specified in the respective Scheme Information Document. E.g. If the recommended amount of investment in a scheme is Rs.4,000/- and the minimum investment amount specified in the Scheme information Document of that scheme is Rs.5, 000/-, the investor need to invest at least Rs.5, 000/- in the scheme.
- In case of applications for registration of Systematic Investment Plan (SIP), the mode of payment of SIP installments should be ECS or Direct Debit. Post dated cheques will not be accepted.

- Investor can choose to invest via an SIP in Family Solutions – Available through the ECS facility only. Post dated Cheque will not be accepted for FAMILY SOLUTIONS SIP transactions.
- Each FAMILY SOLUTIONS SIP form allows up to 4 schemes across goals. For additional SIPs in the same Family Solutions Application, the investor will need to fill additional SIP ECS forms.
- Each SIP ECS form should have the same date, frequency and tenure. Hence, if the investor chooses to have different dates, frequency or tenures he/she needs to fill up another SIP ECS form.
- If the SIP dates are different in a particular goal/across goals submitted through a single ECS form, it will be rejected
- In case of Lump sum and Future Dated SIP, Single Cheque (lump sum amount only) with FAMILY SOLUTIONS SIP ECS form will be accepted (Note: SIP will start after 30 days)
- All installments should be for the same amount.
- All the SIP dates across goals should be uniformly i.e. either the 1st, 7th, 10th, 20th or 25th of a month.

**Default  
Options:**

The following defaults will apply to the processing of applications, where required, in addition to the defaults already mentioned in the KIM

In the event of any KYC Application being subsequently rejected for lack of information / deficiency / insufficiency of mandatory documentation, the investment transaction may be cancelled and the amount may be redeemed at applicable NAV, subject to payment of exit load, wherever applicable. Such redemption proceeds will be dispatched within a maximum period of 21 days from date of acceptance of application.

**Purchases:**

- If an investor provides all details, including Goal, scheme plan, option, and there is only one existing account matching this in the folio, the purchase will be processed into that account.
- If there are multiple matching accounts in Folio (FAMILY SOLUTIONS & Non FAMILY SOLUTIONS), the purchase will be processed into the FAMILY SOLUTIONS account with the same goal.
- If an investor only provides the scheme name, but not the plan and or option, transactions will be processed based on the following rule:
- If there is one FAMILY SOLUTIONS account of the scheme in that folio, the transaction will be processed into that account irrespective of whether it is the default option
- If an investor does not provide their bank details in an additional purchase in new scheme, the default bank details from the last transacted account will be used
- In case the amount of the cheque or the payment instrument / advice differs



from the amount of the application, the application would be rejected if the amount is less than the amount mentioned in application form. In case the amount of cheque / payment instrument is more than the amount mentioned in the application form, the excess amount will be refunded without any compensation or interest thereof.

#### **Redemptions/Exchanges:**

- Switches from Non FAMILY SOLUTIONS to FAMILY SOLUTIONS and vice versa are allowed
- The Switch request (with Goal Sheet) can be placed while opening the FAMILY SOLUTIONS account
- The Switch request can be placed at a later date also
- Switches in scheme from one goal to another goal are allowed
- Partial switch from Non FAMILY SOLUTIONS or FAMILY SOLUTIONS to FAMILY SOLUTIONS account is currently not allowed.
- Investors must provide the account number from which redemption or switch out is to be effected, in case they hold multiple accounts of the same scheme in a folio. If Franklin Templeton is unable to determine the single specific account to be redeemed / switched out from the information provided, the request would be treated as ambiguous and hence rejected.
- In the case of a Switch / Exchange, if the request does not specify the destination scheme account number but only provides the scheme name, the NIGO rules as listed above for Additional purchases would apply.
- If the number of units and all units is mentioned in the request for redemption or Switch, all units (Cleared units) will be considered. Where the number of units and an amount is mentioned, the number of units (cleared units) will be considered.
- Redemption/Switch requests will be processed only if either amount or units are clearly mentioned.
- Switch transactions will be processed only if the day is a BUSINESS DAY for both the Source and Destination Schemes.
- If for a switch transaction, the source account number does not match with the source scheme name (wherever given) or if the destination account number does not match with the destination scheme name (wherever given), the request would be treated as ambiguous and hence rejected.
- If folio number given is without a scheme name or account number and there are two or more schemes or accounts available under the folio, the request would be treated as ambiguous and hence rejected.
- If the account number is valid but does not belong to the folio number given in the application, then the transaction will be processed in the given account number.



**Transfer Plan  
(STP)**

- Investor can start an STP from Non FAMILY SOLUTIONS funds into selected FAMILY SOLUTIONS funds
- The STP will have to be from accounts within the same folio since inter-folio transactions are not allowed
- STP is allowed from one scheme to another scheme only (one to many is allowed with Fixed amount STP and not with capital appreciation).