

# Distributor FAQs

## **Q1) Will systematic transactions (SIP/STP/SWP) registered in existing Schemes of L&T MF continues after the Effective Date?**

**Ans:** All systematic registrations which are active as of the Effective Date of the Transaction will continue for all customers except for NRIs from US/ Canada. In case of a scheme merger, future systematic transactions will be triggered in the surviving schemes.

In the case of STP, if either the source or target scheme is merged, then the transfer from or to, (as the case may be) will happen from/in the surviving scheme

## **Q2) What does 'Transaction' mean in context with the acquisition of L&T Investment Management?**

**Ans:** The entire process of the following is termed as a transaction:

- (i) transfer or merger of mutual fund schemes of L&T MF to HSBC MF.
- (ii) corresponding change in the sponsorship, trusteeship, management, and administration of the L&T MF schemes and
- (iii) transfer of entire share capital of L&T AMC held by the L&T Sponsor and its nominees to HSBC Sponsor and its nominees

## **Q3) Will there be any change in the GST/PAN for raising brokerage service invoices post-acquisition?**

**Ans:** Yes, GST/PAN details will be of HSBC post-effective date. Distributors may find the details in the invoices that will be uploaded on CAMS Mail back services once the commission for the combined entity is paid.

## **Q4) When is the effective date of the transaction?**

**Ans:** A public notice will be issued informing the Unitholders about the Effective Date.

## **Q5) Post-acquisition, will distributors have access to L&T MF Brokerage/ Income Statements for the commissions computed prior to the merger?**

**Ans:** Yes. LTIM brokerage statements/ annexures for the period prior to the effective date will be available as mail-back reports under MFD login for a period of 3 months only post the effective date.

However, it is advisable for the distributors to download the past data before the merger date to avoid any challenges in the future.



**Q6) Post-acquisition, can the distributor download the GST invoice in the name of L&T MF through CAMS Mail back report for the commission received until the effective date of the merger?**

**Ans:** MFDs will be able to download L&T AMC GST invoices for a period of 3 months post the effective date. However, it is advisable for the distributors to download the past invoices before the merger date to avoid any challenges in the future.

**Q7) I have already registered for Mail-back Services with CAMS. Do I need to register again post-acquisition?**

**Ans:** No. Existing registration with L&T AMC will continue to exist.

**Q8) Will there be any change in the login credentials for the Digital Dost Application post-acquisition?**

**Ans:** No, MFDs can log in to the Digital Dost Application with the same login credentials.

**Q9) If the investor opts for redemption for not agreeing to the T&C of the merger during the exit window, will the systematic transaction registration get canceled automatically**

**Ans:** No, Investors who do not wish to continue their future investments/installment in the respective schemes are required to provide a written request to the L&T MF and it will take 30 calendar days for SIP Cancellation & 15 Calendar days for SWP/STP cancellations to process such requests. Intervening installments will continue to be processed.

**Q10) Will there be any change in the ISIN of L&T MF Schemes?**

**Ans:** ISINs of the surviving schemes will prevail. Please refer to the transferor/ transferee scheme details. [www.ltfs.com/companies/lnt-investment-management/merger-faqs.html](http://www.ltfs.com/companies/lnt-investment-management/merger-faqs.html)

**Q11) What will happen if the distributor disagrees with the assignment of the contract with L&T AMC to HSBC AMC?**

**Ans:** In case the distributor disagrees with the assignment of the L&T AMC agreement, the distributor would be de-empaneled from the effective date of the merger with HSBC and hence would not be eligible for the commission on the existing assets with L&T Mutual fund post the merger. The distributor will have to re-impanel with HSBC AMC in the future if they wish to sell HSBC MF schemes at a later point in time.

**Q12) For any queries regarding the exit option for investors or, changes to the schemes, whom should the distributor contact?**

**Ans:** The distributor should contact the Relationship Manager. Alternatively, they may write to [partner.line@ltmf.co.in](mailto:partner.line@ltmf.co.in). until the effective date of the merger. For the changes in schemes, you can also refer to the link [www.ltfs.com/companies/lnt-investment-management/merger-faqs.html](http://www.ltfs.com/companies/lnt-investment-management/merger-faqs.html) to get the details.



**Q13) Will a common MFD of both entities can see the investor details of both Mutual Funds in the Digital Dost Application post-merger?**

**Ans:** Yes, a common MFD of both entities upon logging into the Digital Dost application will see the investor details of both the Mutual Funds post-merger.

**Q14) Will investments continue to be in the same mutual fund distributor ARN code as existing with L&T Mutual Fund?**

**Ans:** The same mutual fund distributor ARN code will continue against the units held in the Transferee scheme for all the existing investments with L&T Mutual Fund, provided the ARN is valid with HSBC.

**Q15) Does the investor/unit holder have to do anything if they have “No objection” to the proposed Transaction?**

**Ans:** No action is required from the investor/unit holder if they do not have any objection to the proposed Transaction.

**Q16) If your customer does not exercise the exit option or respond to the letter, what will happen to their investments after the Transaction date?**

**Ans:** Unit holders who do not exercise their exit option on or before the applicable cut-off time on 21/11/2022 would be deemed to have consented to the proposed Transaction. In case of merger of the identified L&T MF / HSBC MF schemes, the transferor schemes will cease to exist and the unit holders of the transferor schemes as at the close of business hours on the effective date will be allotted units under the corresponding option of the respective transferee schemes at the applicable NAV.

**Q17) Is the PAN/KYC of your customer mandatory for redemption/ switch out during the exit period?**

**Ans:** It may be noted that the redemption/switch transactions will be processed only if all the unit holders in the folio (including guardian and POA holders) have provided their PAN, and FATCA declaration and are KYC compliant. Please also note that units need to be free from lien/pledges.

**Q18) Will an existing investor/unit holder of both Mutual Funds folios be consolidated automatically?**

**Ans:** No. As part of the merger, the folio of a common investor of both Mutual Funds will not be merged and the folios in HSBC MF and L&T MF will continue to exist separately. An investor may submit a request for consolidation of his/her folios at any of the AMC branches or CAMS investor service centers post the effective date for such an action. Alternatively, an online request can be placed from MF Central ([www.mfcentral.com](http://www.mfcentral.com)).



Kindly note that consolidation of folios will be processed if all the parameters are the same across the folios (such as the name of the unit holder and joint holders in the same order, address, mode of holding, tax status, bank details, nominee, dividend option in case the folio is under dividend scheme)

**Q19) What will be the impact of the scheme merger on Capital Gains for your investors?**

**Ans:** There will be no impact of the scheme merger on capital gains, as the Transaction is not considered as the transfer of capital assets as per the Income Tax Act. Further, for any redemption/switch-out post-merger, the cost value shall be considered as per the corresponding purchase made in the transferor scheme, while computing capital gains.

**Q20) Will applicable TDS (Tax Deducted at Source) be waived off to the investors/unit holders redeeming/ switching out during the exit window?**

**Ans:** Applicable TDS will be deducted for the redemptions/ switches processed during the exit window.

**Q21) What will happen to earlier NRI investments from US/Canada made in L&T Mutual Fund post-merger of HSBC?**

**Ans:** The existing investments made by US/Canadian citizens will continue in HSBC. Post the Effective Date, incremental/new purchases including existing SIPs/STPs will not be permitted. All non-financial transaction requests from NRI investors residing in US / Canada will be accepted.

**Q22) What will happen on the effective date?**

**Ans:** On the effective date, the following activities will be undertaken:

- a. The schemes of L&T MF will be transferred to HSBC MF and will be under the management of HSBC Asset Management (India) Private Limited ("HSBC AMC").
- b. As part of the acquisition, some of the identified L&T MF schemes will undergo changes in fundamental attributes of the schemes, while some of the identified L&T MF schemes will merge with identified HSBC MF schemes and vice versa and some schemes will undergo a change of name.
- c. The shareholding of L&T AMC will be transferred from the L&T Sponsor and its nominees to HSBC Sponsor and its nominees.

**Q23) Which schemes are merging?**

**Ans:** As a result of the acquisition, certain schemes of L&T Mutual Fund will be merged with HSBC Mutual Fund. Please click here for details of schemes undergoing merger.



**Q24) I am empaneled with L&T AMC but not empaneled with HSBC AMC. Will my empanelment continue in HSBC AMC?**

**Ans:** Distributors who are currently empaneled with L&T AMC are deemed to be empaneled with HSBC AMC. A communication will be sent to all distributors in this regard, seeking consent for the assignment of contracts with HSBC AMC. Agreements, if any, signed by the distributors with HSBC AMC shall continue and remain in force.

**Q25) If the distributor does not respond to the communication by agreeing/ disagreeing to the assignment of the contract, what will happen to the existing empanelment with L&T MF?**

**Ans:** Even if the distributors do not respond within the specified time, there would be no impact, as they would be deemed to have consented to the assignment of the contract to HSBC MF, and distributors' empanelment will be continued with HSBC MF post-acquisition.

