

Online fund platform makes transaction easy

Partha Sinha | TNN



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Mumbai: Even as C B Bhàve, the country's top market regulator, spoke about the prospects of a paperless mutual fund transaction process at a recent industry meet, a small beginning has been made. TechProcess Solutions, the company which is widely known for facilitating systematic investment plans (SIPs) in the fund industry, has launched an online MF transaction platform.

The platform, christened 'online mutual fund', integrates investors, distributors, fund houses, banks, and registrar & transfer agents (RTAs) on one single website. In addition to speeding up the process of mutual fund investment, the company also expects to drastically reduce transaction costs.

This TechProcess platform was launched in April and has already done about 30,000 fund transactions.

While six fund houses, four large MF distributors and nine banks have already gone live on the platform, talks with a number of other fund houses and intermediaries are at different stages of negotiation, Bikramjit Sen, CEO, TechProcess Solutions, said. Explaining the process,

Sen said that as of now mutual fund investors are allowed only to come through the distributors who have signed up on the platform.

The distributor registers its investors and each investor is given a unique login ID and password. Then the investor logs on to the platform and can either buy or sell the schemes of fund houses live on the platform.

The transaction also involves the banks which are on the platform. While the investor gets an instantaneous confirmation of the transaction, payment usually take place at the end of the day, Sen said. Compared to this, substantial amount of paper work is involved within the present system, transaction confirmation takes about a day and in most cases funds transfer (payment) takes at

least a day to several days.

"Our internal estimate is that the whole (paperless) process can reduce cost of transaction by 60-70%" said Sen. "Since we are an independent third-party vendor, we are getting good response from fund houses, RTAs, distributors and others," he added.

Going forward, TechProcess plans to launch a platform through which investors can invest in MF schemes directly. Configuring an SIP online could also be another step for the company's online platform.

As of now, Reliance MF, ICICI Prudential MF and Quantum MF are live on the platform, while two large fund houses are at different stages of integration with this online system, company officials said. AGENCIES