

# Sebi's entry load law boosts client servicing online

Partha Sinha | TNN

**Mumbai:** The recent Sebi move to do away with entry load in all mutual fund (MF) schemes has opened up opportunities for technology-driven companies in the fund industry to partner MF distributors to reach out to investors in a cost effective manner. At least two companies—TechProcess Solutions and iFAST Financial—are offering a suit of technology solutions to MF distributors, independent financial advisors (IFAs) and asset management companies (AMCs) to service existing clients and tap prospective customers online.

These solutions have the potential to reduce costs by at least 20-25% over what they would have spent to offer the same services through the offline mode, officials said. Once volumes pick up, cost reduction could even be higher.

TechProcess, in which ICI-CI Venture and some other private equity funds are investors, is a major player in the MF systematic investment plan (SIP) space. As part of the process to bring in all market intermediaries on a single platform, it recently signed up with 15 banks, including Bank of Baroda, Bank of India, ICICI Bank, HDFC Bank and others. TechProcess already has several AMCs, distributors, IFAs and



## VIRTUAL PROFITS

registrar & transfer agents on its online platform. "To give investors a seamless transaction process, it was crucial to bring all players," said Bikramjit Sen, CEO, TechProcess. "By the end of the year we expect to get all the major banks on our platform," Sen said.

Likewise iFAST, a Singapore-based company whose MF transaction platform in India went live about a month ago, is trying out two models. While it is trying to get distributors on its platform who could use its technology to service their own clients, individual investors could also use it without going through distributors. Both platforms are aimed at eliminating most processes involved in offline transactions, in the process bringing down costs substantially. In the new remuneration structure that will be effective from August 1, investors will have to pay their fund advisors and distributors for their services directly.