

## FAQs on Uniformity in SIP cancellation process

**Q1. What is meant by “SIP - Auto Cancellation”?**

A1. When a registered SIP is cancelled automatically based on the defined consecutive failed installments is termed as “SIP Auto Cancellation” with-out specific request from the investors.

**Q2. What is meant by consecutive failed transactions / rejections?**

A2. When there is an ongoing/live SIP and installments are not getting processed on a continuous basis for more than ‘x’ no. of times, depending on the frequency of the SIP, is termed as Consecutive Failed Transactions.

**Q3. How would it impact my SIP and which guidelines talks about such cancellation?**

A3. Generally, such rules are prescribed in the respective Scheme Information Document (SID). As different practices followed by AMCs as it evolved over period of time, SEBI has given guidance to have standard guidelines and accordingly AMFI has advised the AMCs that the SIPs shall be auto-cancelled on consecutive failed transactions as indicated below, **with effect from Apr 01, 2024.**

S. No.	SIP Interval	No. of failed debit attempts prior to cancellation of SIP
1	Daily	3
2	Weekly, Fortnightly	3
3	Monthly	3
4	Bi-monthly, Quarterly or Longer interval SIPs	2

Important point to note here is, If there is a consecutive failed installments and third installment ore more failed during April 2024, then such SIPs will be auto-cancelled.

Sample scenarios are given below for a better and easy understanding on the requirements

**Example 1:**

SIP Date	SIP Payment status	No. of Failed Installment	SIP Status
05-Feb-2024	Failed	1	Active
05-Mar-2024	Failed	2	Active
05-Apr-2024	Failed	3	SIP will be Auto Cancelled

**Example 2**

SIP Date	SIP Payment status	No. of Failed Installment	SIP Status
05-Mar-2024	Failed	1	Active
05-Apr-2024	Failed	2	Active
05-May-2024	Failed	3	SIP will be Auto Cancelled

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### Example 3

SIP Date	SIP Payment status	No. of Failed Installment	SIP Status
05-Feb-2024	Failed	-	Active
05-Mar-2024	Success	-	Active
05-Apr-2024	Failed	1	Active
05-May-2024	Failed	2	Active
05-Jun-2024	Failed	3	SIP will be Auto Cancelled

### Example 5

SIP Date	SIP Payment status	No. of Failed Installment	SIP Status
05-Feb-2024	Failed	-	Active
05-Mar-2024	Success	-	Active
05-Apr-2024	Failed	-	Active
05-May-2024	Success	-	Active
05-Jun-2024	Failed	1	Active
05-Jul-2024	Failed	2	Active
05-Aug-2024	Failed	3	SIP will be Auto Cancelled

### Example 6 (Those who had given earlier business rule as 6 consecutive failures)

SIP Date	SIP Payment status	No. of Failed Installment	SIP Status
05-Dec-2023	Failed	1	Active
05-Jan-2024	Failed	2	Active
05-Feb-2024	Failed	3	Active
05-Mar-2024	Failed	4	Active
05-Apr-2024	Failed	5	SIP will be Auto Cancelled

**Q4. How will I (investor) know about the SIP failures in the folio?**

**A4.** Investors will be informed through Email / SMS immediately after the first failed installment.

**Q5. What will happen to my SIP after the prescribed number of consecutive failures?**

**A5.** SIP will be auto-cancelled, and Investors will be informed through Email / SMS immediately after the auto-cancellation.

**Q6. I have my SIP / Transactions through Channel Partner(s). What will be the impact?**

**A6.** All the above said process are applicable to all the investors transacting through physical applications, Online modes, Distributors, Channel Partners, MFU and applicable to Exchange Non Demat Transactions also.

For Channel, MFU and Exchange Non-Demat transactions, if the SIP transaction feed is not received for 3 consecutive installments, SIPs will be auto-cancelled. Please note that SIPs are registered at their end and MF/RTAs are getting the transaction feeds, hence reliance is made on the transaction feed submitted by them.

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**Q7. If I (investor) wants to cancel the SIP, do we have any online option to facilitate the request?**

**A7.** Yes, Online option is available to cancel the active SIP.

Investor can opt for cancellation through Online, irrespective of the origin of registration of SIPs, i.e., through Physical mode, Online, MF/RTA websites or through Channel Partners, MFU or Exchanges.

Investor has to mandatorily choose the reason from the dropdown provided.

Reason for SIP Cancellation:

- Non availability of Funds
- Scheme not performing
- Service issue
- Load Revised
- Wish to invest in other schemes
- Change in Fund Manager
- Goal Achieved
- Not comfortable with market volatility
- Will be restarting SIP after few months
- Modifications in bank/mandate/date
- I have decided to invest elsewhere
- This is not the right time to invest
- Others (pls specify the reason)

Such submitted requested will be processed and the SIPs shall be cancelled based on the investor's request with in 10 calendar days from the date of submission of the online request.

**Q8. I (investor) have opted for PAUSE facility; will it be considered as failure transactions?**

**A8.** No. PAUSE option will not be considered as failure transactions for the above auto-cancellation purpose. Any three consecutive failures beyond the PAUSE period will be considered suitably.