

**CODE OF RIGHT SELL FOR
LIABILITY & INVESTMENT PRODUCTS**

AXIS BANK

Compliance Department
Corporate Office
Mumbai

CODE OF RIGHT SELL

❑ Background:

As per the Code of Commitment (**COC**) to its customers; which is framed in accordance with guidelines of the **Banking Codes and Standards Board of India,(BCSBI)**, the Bank has set minimum standards of Banking practices which have to be followed while dealing with individual customers. The Code of Right Selling flows from the **COC** and seeks to incorporate its ethos and inculcate best and fair practices in the sales process of the bank.

This Code does not supersede regulatory or supervisory instructions of Reserve Bank of India (RBI), but aims to set higher standards than what is indicated in the regulatory guidelines.

❑ Objective of the Code:

- a) To promote good and Fair Banking practices by setting minimum standards for dealing with its customers.
- b) To ensure that customers are dealt with in complete transparency, and promote a fair Code of conduct with the customer.
- c) To foster customer's confidence in the Banking system by having high standards of customer service, and maintain a fair and cordial customer relationship.
- d) Ensure reduction in instances of customer displeasure / complaints and references to Banking Ombudsman

❑ Applicability of this Code:

The Code is applicable to all products and services whether they are provided by the branches or subsidiaries, or agents acting on behalf of the Bank across the counter, over phone, via internet or by any other method or Channel.

The Bank's Primary business with clients spreads across Deposit Accounts and Loans while Investment products, and Cards are ancillary business verticals that add to the Bank's profitability.

The Code of Right Sell will hence comply with the Bank's Code of Commitment to all customers who enter into a relationship with it.

❑ **Definition of Right Sell:**

A Banker shares a fiduciary relationship with its clients, where the client's best interests are safeguarded.

Despite technological advances, customers still prefer to do most of their banking transactions at branches or with channels. This is due to a Trust factor involved when the customer enters into any banking relationship. Customers look at the Bank staff for giving them the right set of advice and help them with their investment decisions.

- ❑ **Right – Sell is thus defined** as selling of a **Customized Financial Product** to a client based on his profile and need, as per the Banks product suitability matrix.
- ❑ Mis – Selling would therefore arise when the norms of Right –Sell are violated.

Typical Instances of Mis – Selling that may arise in case of Liability and Investment Products:

✓ Mis – communication to clients buying a liability product relating to transactional charges and the stipulated minimum balance requirement criteria.
✓ Accounts being upgraded to the higher variants based on balance in an account at a given point in time, without customer consent.
✓ For Insurance products, selling a wrong product to a client that is in non adherence to the prescribed product suitability matrix.
✓ Not explaining the product features of the Insurance Product especially for Unit linked plans that is NAV based and can lead to an erosion of the Capital during any downsides in the money market.

❑ **Preamble for Code of Right Sell:**

- i. The Code of Right – Selling puts Axis bank's long – term interests ahead of short term gains that ensure superior results for all stakeholders.
- ii. All employees act in accordance of the Code and highest standards of personal and professional integrity.
- iii. The Code of Right – Selling must not be breached by any employee for any personal gains.
Failure to comply with the code will result in disciplinary action for the employee concerned.

Any other Entity / Persons representing the Bank in front of a customer, would be subject to this code either by way of an agreement or contract

❑ **Scope of Coverage: Primary and Ancillary Banking Products**

<i>Deposit Products (Primary Product)</i>	<i>Investment Products (Ancillary Product)</i>
<i>Demand Deposits - Savings and Current Accounts</i>	<i>Insurance - Life and General</i>
<i>Term Deposits & Recurring Deposits</i>	<i>Mutual Funds, Gold Coins, Direct Equity</i>

Illustration:

These products are offered to clients through the point of sale, either by the Branch Staff or the Direct Sales team in an advisory capacity as per the financial and investment needs of the customer / prospective customer.

❑ **Primary Responsibility of the Bank to the customer at the Point of sale.**

Product	Responsibility	By
Deposit Accounts (Savings / Current)	<ul style="list-style-type: none"> • Offer the right kind of a Bank account to the customer based on the constituent and the type of financial transactional requirement of the customer. • Customer should also have the freedom to choose incase of available options as per the product fitment along with the customer profile. 	Branch Staff / Sales Team
	<ul style="list-style-type: none"> • Familiarize the customer with the charge schedule and the operational transactions permissible in such accounts as per the regulatory guidelines and the Bank's extant policy. 	Branch Staff / Sales Team
	<ul style="list-style-type: none"> • Inform the customer on the Banking privileges and benefits that are associated with such accounts. 	Branch Staff / Sales Team
Investment Products	<ul style="list-style-type: none"> • Since the Bank acts as an advisory role for sale of third party products, it is imperative that the customer is suggested the right product mix, depending on their risk profile and financial needs. 	Branch Staff / Sales Team

➤ **Account Type that would fall under the purview of Right – Sell:**

Grid for High Value Deposit Accounts and LI Policy that would fall under the purview of the Right – Sell concept.

Banking & Investment Product Type	Type of Accounts that would fall under the gambit of Right - Sell
Savings Bank Account	Privee
	Wealth
	Priority
Current Account	Business Classic
	Channel One
	Club 50
Life Insurance	Unusual spurts in business levels, that does not confirm to demographics will be subject to additional scrutiny