

MF News > MFDs welcome apprentice MFD concept, say move will attract new talent

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MFDs say success will depend on how seriously interns use the opportunity to master the required skills.

Abhishek Kumar & Nishant Patnaik Mar 8, 2022



AMFI's paid internship program for aspiring MFDs is a step in the right direction as it will help attract new talent to the industry, say top MFDs and associations.

Welcoming the move, Dhruv Mehta, Chairman, Sapient Wealth and Foundation of Independent Financial Advisors (FIFA) said that the concept of apprentice MFDs is similar to CA articleship where aspirants undergo training under the guidance of existing CAs. He said, "The move will surely help the industry add more number of distributors. In fact, we have been demanding this for years".

Harshavardhan Bhusari, the president of Pune MFD association (PIFAA) and Sanjay Bhan, the president of All Mutual Fund Distributors Welfare Association (AMDWA) have also applauded the move saying it will motivate new talent to join the industry.

Mumbai MFD Hemant Rustagi of Wiseinvest believes that the compensation of up to Rs.15,000 will help new MFDs to take care of their basic expenses. "With this incentive, they can take care of basic expenses required to run a distribution business. Another biggest advantage of apprentice MFD is training support by a fund house. Generally, when a new individual takes up MF distribution business, he/she does not get any support. But training support from an AMC ensures that apprentice MFDs will get a proper guidance to grow distribution business," Rustagi said.

However, Chennai MFD Babu Krishnamoorthy feels that the one-year long support may not be enough. "From second year onwards, many may struggle. It's not easy to earn Rs. 15,000 every month through commission in such a short span. If the duration could have been longer, they would have got a longer runway," he said.

Mehta of Sapient Wealth suggests that the stipend could have been higher for women. "AMFI should look at increasing compensation especially for women. The MF industry needs more women participation. Women are very good at planning and budgeting. These skills will help them excel in MF distribution business," he said.

Chennai MFD Mohsin Bijepuri said the move will bore fruit only if interns use the opportunity to their advantage. "It will be really effective if interns use the opportunity well," he said.

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What do you think about the concept of apprentice MFDs?

- Help the MF industry grow multi-fold and increase financial inclusion in India
- No significant impact as there are adequate distributors to serve people
- Will have adverse impact on the reputation of MF and distribution community

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