

Principles of incentive structure for Market Makers

1. Incentives if any for the MM shall be charged to the scheme within maximum permissible limit of TER.
2. A transparent incentive structure for MM to be put in place linking incentives to various performance criteria like bid ask spread, liquidity & trading volume etc.
3. Necessary checks & balances required and adequate disclosure of the principles of incentive structure shall be done on website of AMC and in SID of ETFs
4. A proper audit trail to be maintained for scheme wise incentives.

Incentives to market maker shall be at the discretion of the AMC & to be decided between the AMC and the MM which may be variable in nature or fixed amount adhering to maximum permissible limit of TER. Incentives, if any, will be payable to MM subject to MM fulfilling its obligations and responsibilities.

Kindly note that currently, Baroda BNP Paribas AMC does not pay any incentive to Market Makers.