

## **MASTER CIRCULAR**

**SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90**

**June 27, 2024**

**To,**

**All Mutual Funds ('MFs')**

**Asset Management Companies ('AMCs')**

**Trustee Companies/ Boards of Trustees of Mutual Funds**

**Registrar to an Issue and Share Transfer Agents ('RTAs')**

**Association of Mutual Funds in India (AMFI)**

**All Recognized Stock Exchanges & Clearing Corporations**

**All Stock Brokers**

**All Depositories**

**All Custodians**

Dear Sir/ Madam,

**Subject: Master Circular for Mutual Funds**

1. For effective regulation of Mutual Fund Industry, the Securities and Exchange Board of India ("SEBI") has been issuing various circulars from time to time. In order to enable the stakeholders to have an access to all the applicable regulatory requirements at one place, the provisions of the said circulars issued till March 31, 2023 were incorporated in the Master Circular for Mutual Funds dated May 19, 2023.
2. Subsequently, various guidelines/directions were issued to Mutual Funds by way of circulars/letters. In view of the same, the Master Circular dated May 19, 2023 has been updated to include all relevant circulars that were issued on/before March 31, 2024. The instant Master Circular supersedes the Master Circular for Mutual Funds dated May 19, 2023.

3. Vide Master Circular for Mutual Funds dated May 19, 2023, the guidelines/directions contained in the circulars listed out in the [Appendix](#) to that Master Circular were rescinded. In addition, with the issuance of this Master Circular, the guidelines/directions contained in the circulars listed out at Sr. Nos. 1 to 16 in the [Appendix](#) to this Master Circular, to the extent they relate to the Mutual Funds industry, shall stand rescinded.
4. With respect to the directions or other guidance issued by SEBI, as specifically applicable to Mutual Funds, the same shall continue to remain in force in addition to the provisions of any other law for the time being in force. Terms not defined in this Master Circular shall have the same meaning as provided under the relevant Regulations.
5. Notwithstanding such rescission,
  - 5.1. anything done or any action taken or purported to have been done or taken under the rescinded circulars, including registrations or approvals granted, fees collected, registration suspended or cancelled, any inspection or investigation or enquiry or adjudication commenced or show cause notice issued prior to such rescission, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular;
  - 5.2. any application made to SEBI under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular;
  - 5.3. the previous operation of the rescinded circulars or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the rescinded circulars, any penalty, incurred in respect of any violation committed against the

rescinded circulars, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the rescinded circulars have never been rescinded;

6. Pursuant to issuance of this Master Circular, the entities which are required to ensure compliance with various provisions shall submit necessary reports as envisaged in this Master Circular on a periodic/continuous basis.
7. This Master Circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
8. This Master Circular is available on the SEBI website at <https://www.sebi.gov.in/> under the category “Legal -> Master Circulars”.

Yours faithfully,

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**POLICY RELATED LETTERS/ EMAIL ISSUED BY SEBI ----- [Refer the attachment](#)**

**AMFI BEST PRACTICE GUIDELINES -----[Refer AMFI Website](#)**

## **ABBREVIATIONS**

American Depositary Receipt	ADR
Asset Management Company	AMC
Asset under Management	AUM
Association of Mutual Funds in India	AMFI
Authorized Dealer	AD
Bombay Stock Exchange	BSE
Central Board of Direct Taxes	CBDT
Clearing Corporation of India Limited	CCIL
Compliance Test Reports	CTR(s)
Common Account Statement	CAS
Contingent Deferred Sales Charge	CDSC
Compound Annual Growth Rate	CAGR
Corporate Debt Market Development Fund	CDMDF
Depository Participant	DP
External Commercial Borrowings	ECB
Financial Action Task Force	FATF
Foreign Exchange Management Act	FEMA
Foreign Institutional Investor	FII
Foreign Portfolio Investor	FPI
Fixed Maturity Plans	FMP(s)
Global Depositary Receipt	GDR
Gold Exchange Traded Fund	GETF
Gold Monetization Scheme	GMS
Hindu Undivided Family	HUF
International Organization of Securities Commission	IOSCO
Investor Service Center	ISC
Key Information Memorandum	KIM
Know Your Client	KYC
London Bullion Market Association	LBMA

Monthly Cumulative Report	MCR
Monthly Average Assets Under Management	MAAUM
Multilateral Memorandum of Understanding	MMOU
Mutual Fund Advisory Committee	MFAC
Mutual Fund Distributor	MFD
National Stock Exchange	NSE
Net Asset Value	NAV
New Fund Offer	NFO
Permanent Account Number	PAN
Prevention of Money Laundering Act	PMLA
Regulation	Reg.
SEBI (Mutual Funds) Regulations 1996	Regulations
Securities and Exchange Board of India	the Board
Scheme Information Document	SID } Offer
Statement of Additional Information	SAI } Document
Systematic Investment Plan	SIP
Systematic Transfer Plan	STP
Systematic Withdrawal Plan	SWP
Trustee(s)	Board of Trustee(s)/ Trustee Company
Unique Client Code	UCC
Unit Confirmation Receipt	UCR
Unit Holder Protection Committee	UHPC

## CHAPTER 1: OFFER DOCUMENT FOR SCHEMES

### **1.1 Filing of Offer Document with the Board<sup>1</sup>**

1.1.1. The Offer Document shall have two parts i.e. Scheme Information Document (SID) and Statement of Additional Information (SAI). SID shall incorporate all information pertaining to a particular scheme. SAI shall incorporate all statutory information on Mutual Fund.

1.1.2. The Mutual Funds shall prepare SID and SAI in the prescribed formats<sup>2</sup>. Contents of SID and SAI shall follow the same sequence as prescribed in the format. The Board of the AMC and the Trustee(s) shall exercise necessary due diligence, ensuring that the SID/SAI and the fees paid<sup>3</sup> are in conformity with the Mutual Funds Regulations<sup>4</sup>.

#### **[1.1.2A Revision in the format of SID:**

- a. In order to enhance ease of preparation of the SID by mutual funds and increase its readability for investors, SEBI in consultation with AMFI, undertook an exercise to revamp the format of SID.
- b. Based on the suggestions of AMFI and the recommendations of the Mutual Fund Advisory Committee, the format of SID was simplified and rationalized. The revised format is aimed at streamlining the dissemination of relevant information to

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<sup>1</sup> SEBI Circular No. SEBI/IMD/CIR No.5/ 126096/08 dated May 23,2008 and SEBI Circular No – SEBI/IMD/CIR No.10/178129/09 dated September 29,2009, Refer SEBI email dated November 15, 2011, Refer SEBI letter No. SEBI/HO/OW/IMD-II/DOF3/P/2022/4580/1 dated February 03, 2022

<sup>2</sup> For format of SID & SAI, please refer to [format no. 5.A](#) & [5.B](#). under the section on Formats, Refer SEBI email dated January 07, 2009

<sup>3</sup> The filing fees was revised via gazette notification No. LAD-NRO/GN/2014-15/03/1089 on SEBI (Payment of Fees) (Amendment) Regulations, 2014 dated 23 May, 2014, applicable from May 23, 2014, Refer SEBI email dated April 13, 2015.

<sup>4</sup> SEBI Circular No. IIMARP/MF/CIR/01/428/97 dated February 28, 1997, Refer SEBI letter No. SEBI/HO/OW/IMD-II/DOF3/P/25096/2022 dated June 17, 2022



investors, rationalizing the preparation of SID and facilitating its periodic updation by mutual funds.

1.1.2B In line with the new SID format, AMFI shall carry out necessary changes in the formats of KIM and SAI in consultation with SEBI, within two months from the date of this circular.]<sup>5</sup>

[1.1.2C **Applicability of revised format:** The revised format for SID, KIM and SAI shall be adopted as under:

- a. Updated format for SID/KIM/SAI to be implemented w.e.f. June 01, 2024.
- b. Draft SIDs to be filed with SEBI on or before May 31, 2024 or SIDs already filed with SEBI (final observations yet to be issued) or SIDs for which the final observations have already been received from SEBI (if launched on or before May 31, 2024), can use the old format of SID, provided that the SIDs are updated as per timeline mentioned at (c) below.
- c. For Existing SIDs – by June 30, 2024 with data as on May 31, 2024.
- d. Reference is drawn to para 1.2.1 and 1.2.4 of this Master Circular w.r.t updation of SID and KIM within 1 month from the end of half year i.e. April 30, 2024 for half year ended March 31, 2024. In order to avoid duplication of efforts of AMCs as well as to ensure uniform implementation of revised formats, the scheduled updation of SID and KIM for half year ended March 31, 2024, may be carried out by AMCs by June 30, 2024. This extension shall be applicable specifically for half year ended March 31, 2024 only.

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<sup>5</sup> Inserted vide SEBI Circular No. SEBI/HO/IMD/IMD-RAC-2/P/CIR/2023/000175 dated November 01, 2023. Refer SEBI letter No. SEBI/HO/IMD/IMD-RAC-2/P/OW/2023/ 44197 /1 dated November 02, 2023

All updated/revised SIDs shall be made available on the website of SEBI/AMFI/AMCs within the specified timelines.]<sup>6</sup>

1.1.3. All offer documents (ODs) of Mutual Fund schemes shall be filed with SEBI in terms of the Regulations<sup>7</sup>.

1.1.3.1. Filing of Draft SID:

- a. Draft SID of schemes of Mutual Funds filed with the Board shall also be available on SEBI's website – <http://www.sebi.gov.in> for 21 working days from the date of filing<sup>8</sup>.
- b. AMC shall submit a soft copy of draft SID to the Board in HTML or PDF format. For this purpose, AMC shall be fully responsible for the contents of soft copies of the SID. AMC shall also submit an undertaking to the Board while filing the soft copy of draft SID certifying that the information contained in the soft copy matches exactly with the contents of the hard copy filed with the Board.
- c. In case of any inaccurate filing, the SID will be returned and refiling will be required. 21 working days<sup>9</sup> shall be calculated from the date of refiling;<sup>10</sup>

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<sup>6</sup> Inserted vide SEBI Circular No. SEBI/HO/IMD/IMD-RAC-2/P/CIR/2024/000015 dated March 12, 2024

<sup>7</sup> Regulation 28 (1) of SEBI (Mutual Funds) Regulation 1996

<sup>8</sup> SEBI Circular No. IIMARP/MF/CIR/06/793/98 dated March 31, 1998

<sup>9</sup> Regulation 29(3) of SEBI (Mutual Funds) Regulation 1996

<sup>10</sup> SEBI Circular No. IIMARP/MF/CIR/01/428/97 dated February 28, 1997.