

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2023, the guidelines/directions contained in the circulars listed out in the [Appendix](#) to that Master Circular were rescinded.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to 16 in the [Appendix](#) to this Master Circular, to the extent they relate to the Mutual Funds industry, shall stand rescinded.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 anything done or any action taken or purported to have been done or taken under the rescinded circulars, including registrations or approvals granted, fees collected, registration suspended or cancelled, any inspection or investigation or enquiry or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,

Peter Mardi
Deputy General Manager
Investment Management Department
Tel: 022 - 26449233
Email: peterm@sebi.gov.in

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

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

ABBREVIATIONS

American Depository 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 Depository 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 Board¹

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 formats². 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 paid³ are in conformity with the Mutual Funds Regulations⁴.

[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

¹ 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

² 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

³ 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.

⁴ 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.]⁵

[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.

⁵ 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.]⁶

1.1.3. All offer documents (ODs) of Mutual Fund schemes shall be filed with SEBI in terms of the Regulations⁷.

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 filing⁸.
- 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 days⁹ shall be calculated from the date of refiling;¹⁰

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

⁷ Regulation 28 (1) of SEBI (Mutual Funds) Regulation 1996

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

⁹ Regulation 29(3) of SEBI (Mutual Funds) Regulation 1996

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

- d. If any changes to the SID are made after filing, the 21 working day(s) period will recommence from the date of submission of the last additional statement(s)¹¹.

1.1.3.2. Filing of SAI

- a. A single SAI (common for all the schemes) can be filed with Board along with first draft of SID or can be filed separately. After incorporating the comments/observations, if any, from the Board, AMC shall file a soft copy of SAI with the Board in PDF format along with printed copy of the same¹², upload the SAI on its website and on AMFI website. The printed copy of SAI shall be made available to the investor on request.
- b. Updation of SAI - SAI shall be updated within 3 months from end of financial year and filed with SEBI. Any material changes in the SAI shall be made on an ongoing basis by way of updation on the Mutual Fund and AMFI website. SEBI shall be intimated of the changes made in the SAI within 7 days. The effective date for such changes shall be mentioned in the updated SAI.

1.1.3.3. Filing of Final SID

- a. Final SID (after incorporating comments of the Board) must reach the Board before it is issued for circulation. [As a part of the go green initiative and based on consultation with AMFI, it has been decided that AMCs shall file all final offer documents (final SID & final KIM) only digitally by emailing the same to a dedicated email id. viz. imdsidfiling@sebi.gov.in and there

¹¹ SEBI Circular No. IIMARP/MF/CIR/01/428/97 dated February 28, 1997, SEBI Circular No. IIMARP/MF/CIR/07/844/97 dated May 5, 1997.

¹² SEBI Circular No – SEBI/IMD/CIR No.10/178129/09 dated September 29, 2009

would be no requirement of filing of physical copies of the same with SEBI. Such submission of all final SID and KIM in digital form shall be made at least two working days prior to the launch of the scheme.]¹³ AMC shall also submit an undertaking to the Board while filing the soft copy that information contained in the soft copy of SID to be uploaded on SEBI website is current and relevant and matches exactly with the contents of the hard copy and that the AMC is fully responsible for the contents of the soft copy of SID. The soft copy of SID should also be uploaded on AMFI website two working days prior to launch of the scheme ¹⁴. Failure to submit the printed SID to the Board before it is issued for circulation shall invite penalties under the Mutual Funds Regulations¹⁵.

- b. In case of any difference, in nature of material alteration of the suggestions made by the Board¹⁶ between the printed SID and the SID filed with the Board, immediate withdrawal of the SID from circulation will be ordered and such withdrawal shall be publicized by the Board

1.2 Updation of SID & KIM¹⁷

The procedure for updation of SID and KIM shall be as follows:

¹³ Substituted vide SEBI Circular No. SEBI/HO/IMD/IMD-RAC-2/P/CIR/2023/60 dated April 25, 2023. Prior to substitution, clause read as under:

“Soft copy of the final SID in PDF format along with a printed copy should be filed with Board seven working days prior to the launch of the scheme.”

¹⁴ SEBI Circular No – SEBI/IMD/CIR No.10/178129/09 dated September 29,2009

¹⁵ SEBI Circular No. IIMARP/MF/CIR/07/844/97 dated May 5, 1997.

¹⁶ Regulation 29(2) of the SEBI (Mutual Funds) Regulations, 1996

¹⁷ SEBI Circular- SEBI/IMD/CIR No. 5/126096/08 dated May 23, 2008 and SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021, Refer SEBI letter No. SEBI/HO/OW/IMD-II/DOF3/P/397002021 dated December 28, 2021 & SEBI email dated March 25, 2022 for Scheme Summary Document. Refer SEBI letter No. SEBI/HO/IMD/IMD-RAC-2/P/OW/2023/45312/1 dated November 10, 2023

1.2.1 ¹⁸For the open ended and interval schemes, the SID shall be updated within next six months from the end of the 1st half or 2nd half of the financial year in which schemes were launched, based on the relevant data and information as at the end of previous month. Subsequently, SID shall be updated within one month from the end of the half-year, based on the relevant data and information as at the end of September and March respectively. A soft copy of updated SID shall be filed with SEBI in PDF format within 7 days along with a printed copy of the same¹⁹.

1.2.2 ²⁰The procedure to be followed in case of changes to the open ended and interval scheme shall be as under:

- a. In case of change in fundamental attributes in terms of Regulation 18 (15A):
 - i. An addendum to the existing SID shall be issued and displayed on AMC website immediately.
 - ii. SID shall be revised and updated immediately after completion of duration of the exit option (not less than 30 days from the notice date).
 - iii. A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
- b. In case of other changes:
 - i. The AMC shall be required to issue an addendum and display the same on its website immediately.

¹⁸SEBI Circular- SEBI/HO/IMD/IMD-I DOF2/P/CIR/2021/0560 dated April 30, 2021.

¹⁹ SEBI Circular No – SEBI/IMD/CIR No.10/178129/09 dated September 29,2009

²⁰ Refer SEBI letter No. IMD/DF3/OW/P/2021/32220/1 dated November 11, 2021

- ii. The addendum shall be circulated to all the distributors/brokers/Investor Service Centre (ISC) so that the same can be attached to all KIM and SID already in stock till it is updated.
- iii. Latest applicable addendum shall be a part of KIM and SID. (E.g. in case of changes in load structure the addendum carrying the latest applicable load structure shall be attached to all KIM and SID already in stock till it is updated).
- iv. Further, the account statements shall continue to include applicable load structure.

1.2.3 A copy of all changes made to the scheme shall be filed with SEBI within 7 days of the change.

1.2.4 ²¹KIM shall be updated at least once in half-year, within one month from the end of the respective half-year, based on the relevant data and information as at the end of September and March and shall be filed with SEBI forthwith through electronic mode only.

1.3 Validity of SEBI Observations on SID

1.3.1 The AMCs shall file their replies to the modifications suggested by SEBI on SID as required under Regulation 29 (2), if any, within six months from the date of the letter. In case of lapse of six-month period, the AMC shall be required to refile the SID along with filing fees.

1.3.2 The scheme shall be launched within six months from the date of the issuance of final observations from SEBI. If the AMC intends to launch the scheme at a date later than six months, it shall refile the SID with SEBI under Regulation 28 (1) along with filing fees.

1.4 Undertaking from Trustees for new Scheme²²

²¹ SEBI Circular No. SEBI/HO/IMD/IMD-I DOF2/P/CIR/2021/0560 dated April 30, 2021

²² SEBI Cir. No. IMD/CIR No.5/70559/06 dated June 30, 2006

- 1.4.1 In the certificate submitted by Trustees with regard to compliance of AMC with Regulations²³, the Trustees are required to certify as follows:

“The Trustees have ensured that the (name of the scheme/Fund) approved by them is a new product offered by (name of the Mutual Fund) and is not a minor modification of any existing scheme/fund/product.”

- 1.4.2 This certification shall be disclosed in the SID along with the date of approval of the scheme by the Trustees.
- 1.4.3 This certification is not applicable to fixed maturity plans and close ended schemes except for those close ended schemes which have the option of conversion into open ended schemes on maturity and also to Interval Schemes.

1.5 Standard Observations

- 1.5.1 Standard Observations have been prescribed to ensure minimum level of disclosures in the SID and SAI²⁴.
- 1.5.2 SEBI may revise the Standard Observations from time to time and in that case the date of revision shall also be mentioned.
- 1.5.3 While filing the SID and SAI, AMC shall highlight and clearly mention the page number of the SAI and SID on which each standard observation has been incorporated.

1.6 KIM

²³ Regulation 18 (4) of SEBI (Mutual Funds) Regulations, 1996

²⁴ For Standard Observations, please refer to [format no. 6](#) under the section on Formats

1.6.1 Application forms for schemes of mutual funds shall be accompanied by the KIM in terms of Regulation 29 (4). KIM shall be printed at least in 7-point font size with proper spacing for easy readability.

1.6.2 Format of KIM²⁵

1.6.2.1 AMCs shall prepare KIM in the prescribed format²⁶. The contents of KIM shall follow the same sequence as prescribed in the format.

1.7 Easy Availability of Offer Document²⁷

1.7.1 Trustees and AMCs shall ensure that the SID of the schemes and SAI are readily available with all the distributors/ISCs and confirm the same to SEBI in the half yearly trustee report.

1.8 Selection of Benchmarks²⁸

1.8.1 In case of equity oriented schemes, mutual funds may appropriately select any of the indices available, (e.g. BSE (Sensitive) Index, S&P CNX Nifty, BSE 100, BSE 200 or S&P CNX 500 etc.) as a benchmark index depending on the investment objective and portfolio of the scheme(s).

1.8.2 Benchmarks for debt oriented and balanced fund schemes²⁹ developed by research and rating agencies recommended by the AMFI on a regular basis shall be used by the Mutual Funds.

²⁵ Refer SEBI email dated March 29, 2010

²⁶ For format of KIM, please refer [format no. 5.C](#) under the section on Formats

²⁷ SEBI Circular- SEBI/IMD/CIR No. 5/126096/08 dated May 23, 2008

²⁸ SEBI Circular No. MFD/CIR/16/400/02 dated March 26, 2002, SEBI Circular No. MFD/CIR/01/071/02 April 15, 2002

²⁹ SEBI Circular No. MFD/CIR/01/071/02 dated April 15, 2002