

Issue of Units of Mutual Funds
A.P.(DIR Series) Circular No.35 (Nov 14, 2003)

Reserve Bank of India
Exchange Control Department
Central Office
Mumbai – 400 001

A.P.(DIR Series) Circular No.35

November 14, 2003

To

All Authorised Dealers in Foreign Exchange

Madam / Sirs,

Issue of Units of Mutual Funds

At present, Indian Asset Management Companies (AMCs) which launch off-shore funds abroad have to obtain SEBI's approval for such schemes. They are also required to obtain RBI's prior approval for issue of units, remittance of dividend and redemption of units to the overseas investors in such funds. In order to provide single window clearance, it has been decided that AMCs may issue units, remit dividend and redeem the units in such funds issued abroad to the overseas investors, once SEBI's approval is obtained for launching off-shore funds, subject to reporting requirements at the end of each quarter in the format enclosed.

2. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.

3. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,

Grace Koshie
Chief General Manager

Format for Reporting of Inflow/Outflow Details in respect of Mutual Fund

(for the quarter ended _____)

1. Date of launch of the off-shore funds
2. No. & Date of SEBI Approval letter
3. Amount authorized to be raised by SEBI
4. No. of Units issued to the Off-shore fund
5. Amount of inflow in USD
6. Amount of Dividend remitted, if any upto the current quarter

7. No. of units redeemed
8. Amount repatriated in USD
9. No. of Units Outstanding
10. Value of Fund in USD & NAV per Unit
11. Management fees received / other out of pocket expenses reimbursed

(Report to be submitted to Reserve Bank of India, Exchange Control Department, Foreign Investment Division, Central Office, Mumbai)