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SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 9th January, 2014
SECURITIES AND EXCHANGE BOARD OF INDIA
(COLLECTIVE INVESTMENT SCHEMES) (AMENDMENT)
REGULATIONS, 2014

No. LAD-NRO/GN/2013-14/39/51.- In exercise of the powers conferred by section 30 read with section 11 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to amend the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Collective Investment Schemes) (Amendment) Regulations, 2014.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999 –
 - (i) the term ‘scheme’ wherever occurring shall be substituted by the term ‘collective investment scheme’.
 - (ii) in sub-regulation (1) of regulation 2, clause (y) shall be omitted.

(iii) after regulation 4, the following regulation shall be inserted, namely,-

“4A. Application by a scheme or arrangement deemed to be a collective investment scheme

4A. (1) Any person proposing to carry on or sponsor or launch any scheme or arrangement which would be deemed to be a collective investment scheme under the proviso to sub-section (1) of section 11AA of the Act, shall make an application for grant of registration as a Collective Investment Management Company in Form A:

Provided that any scheme or arrangement which is otherwise regulated or prohibited under any other law shall not be deemed to be a collective investment scheme.

(2) All other provisions of these regulations and the guidelines and circulars issued thereunder, shall apply to any scheme or arrangement deemed to be a collective investment scheme under the proviso to sub-section (1) of section 11AA of the Act.”.

(iv) in regulation 11, after clause (f) the following shall be inserted, namely,-

“(g) the Collective Investment Management Company shall enter into an agreement with a depository for dematerialization of the units of collective investment scheme proposed to be issued;

(h) all monies payable towards subscription of units of collective investment scheme shall be paid through cheque or demand draft or through any other banking channel, but not by cash;

(i) the Collective Investment Management Company shall comply with KYC (know your client) norms as specified by the Board.”.

(v) after Chapter IX, the following Chapter shall be inserted, namely:—

“CHAPTER IX A

**EXISTING SCHEMES OR ARRANGEMENTS DEEMED TO BE A
COLLECTIVE INVESTMENT SCHEME**

**Existing schemes or arrangements deemed to be a collective investment
scheme to obtain provisional registration**

74A. (1) Any person who has been operating a scheme or arrangement deemed to be a collective investment scheme under the proviso to sub-section (1) of section 11AA of the Act at the time of commencement of the Securities and Exchange Board of India (Collective Investment Schemes) (Amendment) Regulations, 2014, shall be deemed to be an existing collective investment scheme and shall also comply with the provisions of Chapter IX:

Provided that any scheme or arrangement which is otherwise regulated or prohibited under any other law shall not be deemed to be a collective investment scheme.

Explanation : The expression ‘operating a scheme or arrangement deemed to be a collective investment scheme’ shall include carrying out the obligations undertaken in the various documents entered into with the investors who have subscribed to the scheme or arrangement.

(2) An existing collective investment scheme shall make an application to the Board in the manner specified in regulation 5.”.

U.K. SINHA

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Footnotes:

1. Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999, the Principal Regulations, were published in the Gazette of India on 15th October 1999 vide No. S. O. 1035 (E).
2. The Principal Regulations were subsequently amended on: -
 - a. 14th February 2000 by Securities and Exchange Board of India (Collective Investment Schemes) (Amendment) Regulations, 2000 vide S. O. No. 122 (E);
 - b. 28th March 2000 by Securities and Exchange Board of India (Appeal to Securities Appellate Tribunal) (Amendment) Regulations, 2000 vide S. O. No 278 (E);
 - c. 10th March 2004 by the Securities and Exchange Board of India (Criteria for Fit and Proper Person) Regulations, 2004 vide S.O. No. 398(E);
 - d. 26th May 2008 by the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 vide Notification No. LAD-NRO/GN/2008/11/126538.