



CIRCULAR

SEBI/HO/IMD/DF2/CIR/P/2017/17

February 28, 2017

**All Mutual Funds/Asset Management Companies (AMCs)/
Trustee Companies/Boards of Trustees of Mutual Funds/
Association of Mutual Funds in India (AMFI)**

Sir/ Madam,

Subject: Circular on Mutual Funds

A. Amendments to SEBI (Mutual Funds) Regulations, 1996

1. Please refer to the gazette notification no. [SEBI/LAD/NRO/GN/2016-17/031](#) dated 15 February 2017 pertaining to Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulation, 2017 for your information and implementation. These amendments relate to investments by Mutual Funds in hybrid securities such as units of REITs/InvITs.
2. The investment restrictions mentioned at Clause 13 in the Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996 shall be applicable to all fresh investments by all schemes, including an existing scheme. Any existing scheme intending to invest in units of REITs/InvITs shall abide by the provisions of Regulation 18 (15A) of SEBI (Mutual Funds) Regulations, 1996. For investment in units of REITs/InvITs by an existing Mutual Fund scheme, unitholders of the scheme shall be given a time period of at least 15 days for the purpose of exercising the exit option.
3. This circular shall be applicable with immediate effect.
4. This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with the



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Securities and Exchange Board of India

provision of Regulation 77 of SEBI (Mutual Funds) Regulation, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

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