CIRCULAR

SEBI/HO/IMD/DF2/CIR/P/2017/35 **April 28, 2017**

All Mutual Funds/Asset Management Companies (AMCs)/
Trustee Companies/Boards of Trustees of Mutual Funds

Sir/Madam,

Subject: Circular on Mutual Funds

1. Please refer to SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated 18 March 2016.

2. In partial modification of the above mentioned circular, para C of the circular pertaining to disclosure of executive remuneration shall read as under:

   "*With the underlying objective to promote transparency in remuneration policies so that executive remuneration is aligned with the interest of investors, MFs/AMCs shall make the following disclosures pertaining to a financial year on the MF/AMC website under a separate head – 'Remuneration':*

   1. *Name, designation and remuneration of Chief Executive Officer (CEO), Chief Investment Officer (CIO) and Chief Operations Officer (COO) or their corresponding equivalent by whatever name called.*
   2. *Name, designation and remuneration received by top ten employees in terms of remuneration drawn for that financial year.*
   3. *Name, designation and remuneration of every employee of MF/AMC whose:*
      a. *Annual remuneration was equal to or above one crore and two lakh rupees for that financial year.*
      b. *Monthly remuneration in the aggregate was not less than eight lakh and fifty thousand rupees per month, if the employee is employed for a part of that financial year.*

4. The ratio of CEO's remuneration to median remuneration of MF/AMC employees.

5. MF's total AAUM, debt AAUM and equity AAUM and rate of growth over last three years.

For this purpose, remuneration shall mean remuneration as defined in clause (78) of section 2 of the Companies Act, 2013.The AMCs/MFs shall disclose this information within one month from the end of the respective financial year (effective from FY 2016-17).”

3. 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 provision of regulation 77 of SEBI (Mutual Funds) Regulations, 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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