

**DEPUTY GENERAL MANAGER  
INVESTMENT MANAGEMENT DEPARTMENT**

**SEBI/IMD/CIR No. 12/147132/08  
December 11, 2008**

**All Mutual Funds Registered with SEBI  
Association of Mutual Funds in India (AMFI)**

Sir/Madam,

**Sub: Review of Provisions relating to Close Ended Schemes**

In order to further strengthen the framework for close ended schemes, it has been decided that for all close ended schemes (except Equity Linked Savings Schemes) to be launched on or after December 12, 2008:

1. The units shall be mandatorily listed. The provisions in the SEBI (Mutual Funds) Regulations, 1996 regarding repurchase and re-issue and exemption from listing of units of close ended scheme would be suitably amended in due course.
2. Listing fees shall be a permissible expense to be charged under Regulation 52(4).
3. Trustees shall ensure that before launch of the scheme the in-principle approval for listing has been obtained from the stock exchange(s) and appropriate disclosures are made in the Scheme Information Document.
4. NAV shall be computed and published on daily basis.

It has also been decided that a close ended debt scheme shall invest only in such securities which mature on or before the date of the maturity of the scheme.

Schemes for which observations (final) under Regulation 29 of SEBI (Mutual Funds) Regulations, 1996 have been issued but are yet to be launched would be required to carry out the changes in Scheme Information Document and file the same with SEBI before the launch.

This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions 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,

**Ruchi Chojer**

