

THE GAZETTE OF INDIA

EXTRAORDINARY

PART III – SECTION 4

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SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 12th of February, 2016

**SECURITIES AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS)
(AMENDMENT) REGULATIONS, 2016**

No. SEBI/LAD-NRO/GN/2015-16/034 - In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, namely:-

1. These Regulations may be called the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2016.
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 (Mutual Funds) Regulations, 1996, in the Seventh Schedule,-

(i) clause 1 shall be substituted with the following words, figures and symbols, namely,-

"1. A mutual fund scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of directors of the asset management company:

Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and collateralized borrowing and lending obligations:

Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board:

Provided further that the schemes already in existence shall within an appropriate time and in the manner, as may be specified by the Board, conform to such limits.";

(ii) clause 1B shall be omitted.

U.K. SINHA
CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Footnote:

1. The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the Principal Regulations, were published in the Gazette of India on December 9, 1996 vide S.O. No. 856 (E).

2. The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 were subsequently amended—

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| (1) on April 15, 1997 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 1997 vide S.O. No.327 (E). | (8) on May 29, 2001 by the Securities and Exchange Board of India (Investment Advice by Intermediaries) (Amendment) Regulations, 2001 vide S.O. No.476 (E). |
| (2) on January 12, 1998 by the Securities and Exchange Board of India (Mutual Funds)(Amendment) Regulations, 1998 vide S.O. No.32 (E). | (9) on July 23, 2001 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2001 vide S.O. No.698 (E). |
| (3) on December 08, 1999 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 1999 vide S.O. No.1223 (E). | (10) on February 20, 2002 by the Securities and Exchange Board of India (Mutual Funds)(Amendment) Regulations, 2002 vide S.O. No.219 (E). |
| (4) on March 14, 2000 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2000 vide S.O. No.235 (E). | (11) on June 11, 2002 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2002 vide S.O. No.625 (E). |
| (5) on March 28, 2000 by the Securities and Exchange Board of India (Appeal to the Securities Appellate Tribunal) (Amendment) Regulations, 2000 vide S.O. No.278 (E). | (12) on July 30, 2002 by the Securities and Exchange Board of India (Mutual Funds) (Third Amendment) Regulations, 2002 vide S.O. No.809 (E). |
| (6) on May 22, 2000 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2000 vide S.O. No.484 (E). | (13) on September 9, 2002 by the Securities and Exchange Board of India (Mutual Funds)(Fourth Amendment) Regulations, 2002 vide S.O. No.956 (E). |
| (7) on January 23, 2001 by the Securities and Exchange Board of India (Mutual Funds)(Amendment) Regulations, 2001 vide S.O. No.69 (E). | (14) on September 27, 2002 by the Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and |

- Imposing Penalty) Regulations, 2002 vide S.O. No.1045 (E).
- (15) on May 29, 2003 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2003 vide S.O. No. 632 (E).
 - (16) on January 12, 2004 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2004 vide F.No. SEBI/LAD/DOP/4/2004.
 - (17) on March 10, 2004 by the Securities and Exchange Board of India (Criteria for Fit and Proper Person) Regulations, 2004 vide S.O. No. 398 (E).
 - (18) on January 12, 2006 by the Securities and Exchange Board of India (Mutual Funds)(Amendment) Regulations, 2006 vide S.O. No. 38 (E).
 - (19) on May 22, 2006 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2006 vide S.O. No. 783 (E).
 - (20) on August 3, 2006 by the Securities and Exchange Board of India (Mutual Funds) (Third Amendment) Regulations, 2006 vide S.O. No. 1254 (E).
 - (21) on December 27, 2006 by the Securities and Exchange Board of India (Mutual Funds) (Fourth Amendment) Regulations, 2006 vide F. No. SEBI/LAD/DOP/82534/2006.
 - (22) on December 27, 2006 by the Securities and Exchange Board of India (Mutual Funds) (Fifth Amendment) Regulations, 2006 vide F. No. SEBI/LAD/DOP/83065/2006.
 - (23) on May 28, 2007 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2007 vide F. No. 11/LC/GN/2007/2518.
 - (24) on October 31, 2007 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2007 vide F. No. 11/LC/GN/2007/4646.
 - (25) on March 31, 2008 by the Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2008 vide F. No. 11/LC/GN/2008/21669.
 - (26) on April 16, 2008 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2008 vide F. No. LADNRO/ GN/2008/03/123042.
 - (27) on May 22, 2008 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2008 vide No. LADNRO/GN/2008/09/126202.
 - (28) on September 29, 2008 by the Securities and Exchange Board of India (Mutual Funds) (Third Amendment) Regulations, 2008 vide No. LADNRO/ GN/2008/24/139426.
 - (29) on April 8, 2009 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2009 vide No. LAD-NRO/GN/2009-10/01/159601.
 - (30) on June 5, 2009 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2009 vide No. LAD-NRO/GN/2009-10/07/165404.
 - (31) on July 29, 2010 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2010 vide No. LAD-NRO/GN/2010-11/13/13945.
 - (32) on August 30, 2011 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011 vide No. LAD-NRO/GN/2011-12/27668.
 - (33) on February 21, 2012 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2012 vide No. LAD-NRO/GN/2011-12/38/4290.
 - (34) on 26th September, 2012 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2012 vide No. LAD-NRO/GN/2012-13/17/21502.
 - (35) on 16th April, 2013 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2013 vide No. LAD-NRO/GN/2013-14/03/5652.
 - (36) on 19th June, 2013 by the Securities and Exchange Board of India

- (Mutual Funds) (Second Amendment) Regulations, 2013 vide No. LAD-NRO/GN/2013-14/12/6108.
- (37) on 19th August, 2013 by the Securities and Exchange Board of India (Mutual Funds) (Third Amendment) Regulations, 2013 vide No. LAD-NRO/GN/2013-14/18/6384.
- (38) on 6th May, 2014 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2014 vide No. LAD-NRO/GN/2014-15/01/1039.
- (39) on 23rd May, 2014 by the Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2014 vide No. LAD-NRO/GN/2014-15/03/1089.
- (40) on 30th December, 2014 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2014 No. LAD-NRO/GN/2014-15/19/1973.
- (41) on 15th May, 2015 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2015 No. NRO-OIAE/GN/2015-16/005