

**THE GAZETTE OF INDIA
EXTRAORDINARY
PART –III– SECTION 4
PUBLISHED BY AUTHORITY
NEW DELHI, APRIL 8th, 2009
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the April 8, 2009**

**SECURITIES AND EXCHANGE BOARD OF INDIA
(MUTUAL FUNDS) (AMENDMENT) REGULATIONS, 2009**

No. LAD-NRO/GN/2009-10/01/159601. - 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, 2009.
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–
 - (i) in regulation 18, in sub-regulation (4) -
 - (a) in clause (g), the mark “.” occurring at the end shall be substituted with mark “;”;
 - (b) after clause (g), the following clause shall be inserted, namely:-

“(h) obtained, wherever required under these regulations, prior in-principle approval from the recognised stock exchange(s) where units are proposed to be listed.”
 - (ii) in regulation 25, after sub-regulation (2), the following sub-regulation shall be inserted, namely:-

“(2A) The asset management company shall obtain, wherever required under these regulations, prior in-principle approval from the recognised stock exchange(s) where units are proposed to be listed.”
 - (iii) in regulation 29, after sub-regulation (4), the following sub-regulation shall be inserted, namely:-

“(5) The offer document shall contain the disclosure regarding the prior in-principle approval obtained from the recognized stock exchange(s), where units are proposed to be listed in accordance with these regulations.”
 - (iv) for regulation 32, the following regulation shall be substituted, namely:-

“Listing of close ended schemes.

32. Every close ended scheme, other than an equity linked savings scheme, shall be listed on a recognised stock exchange within such time period and subject to such conditions as specified by the Board:

Provided that listing of close ended scheme launched prior to the commencement of the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2009 shall not be mandatory —

- (a) if the said scheme provides for periodic repurchase facility to all the unitholders with restriction, if any, on the extent of such repurchase; or
- (b) if the said scheme provides for monthly income or caters to special classes of persons like senior citizens, women, children, widows or physically handicapped or any special class of persons providing for repurchase of units at regular intervals; or
- (c) if the details of such repurchase facility are clearly disclosed in the offer document; or
- (d) if the said scheme opens for repurchase within a period of six months from the closure of subscription; or
- (e) if the said scheme is a capital protection oriented scheme.”

(v) in regulation 33,-

- (a) for sub-regulation (1), the following sub-regulation shall be substituted, namely:-

“(1) Units of a close ended scheme, other than those of an equity linked savings scheme, launched on or after the commencement of the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2009 shall not be repurchased before the end of maturity period of such scheme.”

- (b) sub-regulation (2A) shall be omitted.

(vi) for regulation 36, the following regulation shall be substituted, namely:-

“Statement of accounts or unit certificates.

36. (1) The asset management company shall issue to the applicant whose application has been accepted, a statement of accounts specifying the number of units allotted to the applicant as soon as possible but not later than thirty days from the date of closure of the initial subscription list and/or from the date of receipt of the request from the unitholders in any open ended scheme:

Provided that if an applicant so desires, the asset management company shall issue the unit certificates to the applicant within thirty days of the receipt of request for the certificate.

(2) An applicant in a close ended scheme whose application has been accepted shall have the option either to receive the statement of accounts or to hold units in dematerialised form and the asset management company shall issue to such applicant, a statement of accounts specifying the number of units allotted to the applicant or issue units in dematerialised form as soon as possible but not later than thirty days from the date of closure of the initial subscription list.

(3) The asset management company shall issue units in dematerialised form to a unitholder in a close ended scheme listed on a recognised stock exchange within two working days of the receipt of request from the unitholder.”

- (vii) in regulation 37, -
- (a) in sub-regulation (1), the words “An unit certificate” shall be substituted with the words “A unit”.
 - (b) after sub-regulation (1), the following sub-regulation shall be inserted, namely:-
“(1A) A unitholder, in a close ended scheme listed on a recognised stock exchange, who desires to trade in units shall hold units in dematerialised form.”
- (viii) after regulation 42, the following regulation shall be inserted, namely:-
“**Delisting of units.**
42A. The units of a mutual fund scheme shall be delisted from a recognised stock exchange in accordance with the guidelines as may be specified by the Board.”
- (ix) in regulation 48, in sub-regulation (2), for the existing proviso, the following proviso shall be substituted, namely:-
“Provided that the Net Asset Value of a close ended scheme, other than that of equity linked savings scheme, shall be calculated on daily basis and published in at least two daily newspapers having circulation all over India.”
- (x) in regulation 49,-
- (a) in sub-regulation (3), for the existing first proviso, the following proviso shall be substituted, namely:-
“Provided that the repurchase price of the units of close ended scheme launched prior to the commencement of the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2009 shall not be lower than ninety five per cent. of the Net Asset Value.”
 - (b) in sub-regulation (3A), after the words “close ended scheme” and before the words “which fulfils the conditions mentioned in sub-regulation (3B)”, the words “launched prior to the commencement of the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2009” shall be inserted.
- (xi) in regulation 49G, after sub-regulation (12), the following sub-regulation shall be inserted, namely:-
“(13) The asset management company shall obtain, wherever required under these regulations, prior in-principle approval from the recognised stock exchange(s) where units are proposed to be listed.”
- (xii) in regulation 49I, after sub-regulation (10), the following sub-regulation shall be inserted, namely:-
“(11) The trustees shall obtain, wherever required under these regulations, prior in-principle approval from the recognised stock exchange(s) where units are proposed to be listed.”
- (xiii) in regulation 52, in sub-regulation (4), in clause (b) –

- (a) for sub-clause (xii-b), inserted by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2008 vide F. No. LAD-NRO/GN/2008/03/123042, the following renumbered sub-clause shall be substituted, namely:-
“(xii-c) in case of a real estate mutual fund scheme, insurance premia and costs of maintenance of the real estate assets (excluding costs of development of such assets) over and above the expenses specified in regulation 52 to the extent disclosed in the offer document;”
- (b) after the substituted sub-clause (xii-c), the following sub-clause shall be inserted, namely:-
“(xii-d) listing fees, in case of schemes listed on a recognised stock exchange; and”
- (xiv) in the Ninth Schedule, in Part A, in clause j, after the words “In a close-ended scheme” and before the words “which provide to the unit holders the option for an early redemption”, the words “launched prior to the commencement of the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2009” shall be inserted.
- (xv) in the Eleventh Schedule, in item 2, in clause (a), in sub-clause (xi), after the words “In a close ended scheme” and before the words “which provides to the unitholders the option for an early redemption”, the words “launched prior to the commencement of the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2009” shall be inserted.

C. B. BHAVE
CHAIRMAN

Footnotes:

- (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 –
- (a) on April 15, 1997 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 1997 vide S.O. No.327(E).
- (b) on January 12, 1998 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 1998 vide S.O. No.32(E).
- (c) on December 08, 1999 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 1999 vide S.O. No.1223(E).

- (d) on March 14, 2000 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2000 vide S.O. No.235 (E).
- (e) 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).
- (f) on May 22, 2000 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2000 vide S.O. No.484 (E).
- (g) on January 23, 2001 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2001 vide S.O. No.69 (E).
- (h) 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).
- (i) on July 23, 2001 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2001 vide S.O. No.698(E).
- (j) on February 20, 2002 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2002 vide S.O. No.219 (E).
- (k) on June 11, 2002 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2002 vide S.O. No.625 (E).
- (l) on July 30, 2002 by the Securities and Exchange Board of India (Mutual Funds) (Third Amendment) Regulations, 2002 vide S.O. No.809(E).
- (m) on September 9, 2002 by the Securities and Exchange Board of India (Mutual Funds) (Fourth Amendment) Regulations, 2002 vide S.O. No.956(E).
- (n) 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).
- (o) on May 29, 2003 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2003 vide S.O.No. 632(E).
- (p) 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.
- (q) 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).
- (r) on January 12, 2006 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2006 vide S.O.No. 38(E).
- (s) on May 22, 2006 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2006 vide S.O.No. 783(E).
- (t) on August 3, 2006 by the Securities and Exchange Board of India (Mutual Funds) (Third Amendment) Regulations, 2006 vide S.O.No. 1254(E).
- (u) 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.
- (v) 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.
- (w) 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.

- (x) 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.
- (y) 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.
- (z) on April 16, 2008 by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2008 vide F. No. LAD-NRO/GN/2008/03/123042.
- (za) on May 22, 2008 by the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2008 vide No. LAD-NRO/GN/2008/09/126202.
- (zb) on September 29, 2008 by the Securities and Exchange Board of India (Mutual Funds) (Third Amendment) Regulations, 2008 vide No. LAD-NRO/GN/2008/24/139426.