

# Info Capsule

August 19, 2019



THE INSTITUTE OF  
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

## ***1. Parking of Funds in Short Term Deposits of Scheduled Commercial Banks by Mutual Funds –Pending deployment***

Referring to Clause 8 of Schedule VII of SEBI (Mutual Funds) Regulations 1996, read with SEBI circular SEBI/IMD/CIR No. 1/91171/07 dated April 16, 2007 pertaining to investment in Short Term Deposits(STDs) of scheduled commercial banks, pending deployment, SEBI has clarified that Trustees/Asset Management Companies (AMCs) shall ensure that no funds of a scheme is parked in STD of a bank which has invested in that scheme. Trustees/AMCs shall also ensure that the bank in which a scheme has STD do not invest in the said scheme until the scheme has STD with such bank.

The detailed circular is available at: [https://www.sebi.gov.in/legal/circulars/aug-2019/parking-of-funds-in-short-term-deposits-of-scheduled-commercial-banks-by-mutual-funds-pending-deployment\\_43923.html](https://www.sebi.gov.in/legal/circulars/aug-2019/parking-of-funds-in-short-term-deposits-of-scheduled-commercial-banks-by-mutual-funds-pending-deployment_43923.html)