

Info Capsule

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THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

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1. FACILITATING TRANSACTION IN MUTUAL FUND SCHEMES THROUGH THE STOCK EXCHANGE INFRASTRUCTURE - Circular no. SEBI/HO/MRD1/DSAP/CIR/P/2020/29 (Dated 26th February, 2020)

SEBI vide its Circular no. CIR/MRD/DSA/32/2013 dated October 04, 2013, and CIR/MRD/DSA/33/2014 dated December 09, 2014 had permitted mutual fund distributors to use recognised stock exchanges infrastructure to purchase and redeem mutual fund units directly from Mutual Fund / Asset Management Companies.

Subsequently, SEBI vide its Circular no. SEBI/HO/MRD/DSA/CIR/P/2016/113 dated October 19, 2016 allowed SEBI Registered Investment Advisors (RIAs) to use infrastructure of the recognised stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/ Asset Management Companies on behalf of their clients, including direct plans.

In order to further increase the reach of this platform, it has been decided to allow investors to directly access infrastructure of the recognised stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/ Asset Management Companies.

The recognised stock exchanges, clearing corporations and depositories may make necessary amendment to their existing byelaws, rules and/or regulations, wherever required.

The circular is available at: https://www.sebi.gov.in/legal/circulars/feb-2020/facilitating-transaction-in-mutual-fund-schemes-through-the-stock-exchange-infrastructure_46093.html