



**CIRCULAR**

**SEBI/HO/IMD/IMD-I/DOF5/P/CIR/2021/0606**

**July 30, 2021**

**All Mutual Funds (MFs)/**

**Asset Management Companies (AMCs)/**

**Trustee Companies/ Board of Trustees of Mutual Funds/**

**Association of Mutual Funds in India (AMFI)**

Sir/Madam,

**Subject: Intra-day Net Asset Value (NAV) for transactions in units of Exchange Traded Funds directly with Asset Management Companies**

1. SEBI, vide circular SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 has prescribed guidelines for applicability of 'closing NAV of the day' in respect of transactions in units of mutual fund schemes.
2. Industry has provided a feedback that for transactions in units of Exchange Traded Funds (ETFs) by Authorized Participants / large investors directly with the AMCs, 'closing NAV of the day' may not be relevant as these transactions are based on price at which the securities representing the underlying index or underlying commodity(ies), are purchased or sold.
3. In view of the feedback of the industry and recommendations of the Mutual Fund Advisory Committee, it has been decided to clarify that for the above mentioned transactions, intra-day NAV, based on the executed price at which the securities representing the underlying index or underlying commodity(ies) are purchased / sold, shall be applicable.
4. Appropriate disclosure in this regard shall be provided in the Scheme Information Document, Key Information Memorandum and Common application form.
5. 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,

**Divya Kulshrestha**

**Deputy General Manager**

Tel no.: 022-26449357

Email: [divyam@sebi.gov.in](mailto:divyam@sebi.gov.in)