

CIRCULAR

SEBI/HO/IMD/IMD-PoD-2/P/CIR/2024/30

April 30, 2024

To
All Mutual Funds (MFs)/
All Asset Management Companies (AMCs)/
All Trustees of Mutual Funds/
Association of Mutual Funds in India (AMFI)

Madam/ Sir,

Subject: Ease of doing business- Fund manager for Mutual fund schemes investing in commodities and overseas securities.

1. SEBI constituted various Working Groups to recommend measures to simplify and ease compliances under various SEBI Regulations. Accordingly, a working group was constituted to review the present regulatory framework under SEBI (Mutual Funds) Regulation, 1996 and recommend measures to promote ease of doing business for mutual funds. Based on the recommendations of the working group, a public consultation was carried out.
2. Accordingly, the following has been decided:
 - 2.1. In partial modification to the Clause 3.3.11 of the Master Circular for Mutual Funds dated May 19, 2023, it has been decided as under:

“For commodity based funds such as Gold ETFs, Silver ETFs and other funds participating in commodities market, appointment of a dedicated fund manager shall be optional. However, the person appointed as fund manager of such funds should have adequate expertise and experience to manage investments in commodities market. The Board of the AMCs shall be responsible for ensuring compliance and reporting regarding the same to trustees, on a periodic basis.”

- 2.2. Further, in partial modification to the Clause 12.19.3.1 of the Master Circular for Mutual Funds dated May 19, 2023, it has been decided as under:

“Appointment of a dedicated fund manager for making the above overseas investments stipulated under paragraph 12.19.2.1 to 12.19.2.9 shall be optional. However, the person appointed as fund manager of such funds

should have adequate expertise and experience to manage investments in overseas securities. The Board of the AMCs shall be responsible for ensuring compliance and reporting regarding the same to trustees, on a periodic basis.”

3. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 25(22)(a)(ii) and Regulation 77 of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
4. This circular is available at www.sebi.gov.in under the link “Legal ->Circulars”.

Yours faithfully,

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