

SECURITIES AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) (AMENDMENT) REGULATIONS, 2010



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 :-

In the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 -

(i) In regulation 34, for the figure and word “45 days” the words “fifteen days” shall be substituted.

(ii) In regulation 35, - (a) in sub-regulation (3), for the words “six weeks”, the words “five Working days” shall be substituted; (b) in sub-regulation (4), for the words “six weeks”, the words “five working days” shall be substituted.

(iii) In regulation 36, - (a) in sub-regulation (1), for the words “thirty days”, the words “five working days” shall be substituted; (b) in the proviso to sub-regulation (1), for the words “thirty days”, the words “five working days” shall be substituted (c) in sub-regulation (2), for the words “thirty days”, the words “five working days” shall be substituted.

(iv) In regulation 52, - (a) sub-regulation (3) shall be omitted; (b) for sub-regulation (6), the following sub-regulation shall be substituted, namely: (6) the total expenses of the scheme excluding issue or redemption expenses, whether initially borne by the mutual fund or by the asset management company, but including the investment management and advisory fee shall be subject to the following limits:—

(a) In case of a fund of funds scheme, the total expenses of the scheme including the management fees shall be either:-

(i) Not exceeding 0.75% of the daily or weekly average net assets, depending upon whether the NAV of the scheme is calculated on daily or weekly basis; or

(ii) It may consist of: (A) management fees for the scheme not exceeding 0.75% of the daily or weekly average net assets depending upon whether the NAV of the scheme is calculated on daily or weekly basis; (B) other expenses relating to administration of the scheme; and (C) charges levied by the underlying schemes:

Provided that the sum total of (A), (B) and the weighted average of the total expense ratio of the underlying schemes shall not exceed 2.50% of the daily or weekly average net assets (depending upon whether the NAV of the scheme is calculated on daily or weekly basis) of the scheme.

(b) In case of an index fund scheme or exchange traded fund, the total expenses of the scheme including the investment and advisory fees shall not exceed one and one half percent (1.5%) of the weekly average net assets

(c) In case of any other scheme-

(i) On the first Rs.100 Crores of the daily or average weekly net assets 2.5%

(ii) On the next Rs.300 crores of the daily or average weekly net assets 2.25%

(iii) On the next Rs.300 crores of the daily or average weekly net assets 2.0%;

(iv) On the balance of the assets 1.75%:

“Provided that in respect of a scheme investing in bonds such recurring expenses shall be lesser by at least 0.25% of the daily or weekly average net assets outstanding in each financial year.”

(v) In the Tenth Schedule, clause (e) shall be omitted.