

# **Regulatory Alert**

## **IAs/RAs/MIs/ MFs/ /DDPs/RTAs/AMCs/**

### **February 2025 – Vol – I**

#### **1. Revised timelines for issuance of Consolidated Account Statement (CAS) by Depositories**

SEBI has modified the timelines for issuance of CAS. The revised timelines indicate that the CAS shall be generated on a monthly basis. The AMCs /MF-RTAs shall provide the data with respect to the common PANs to the depositories within five (5) days from the month end. The depositories shall then consolidate and dispatch the CAS to investors that have opted for delivery via electronic mode, within twelve (12) days from the month end and to investors that have opted for delivery via physical mode, within fifteen (15) days from the month end. For more details, [click here](#).

#### **2. Details/clarifications on provisions related to association of persons regulated by the Board, MIs, and their agents with persons engaged in prohibited activities**

SEBI has restricted the association of its regulated entities such as stock exchanges, clearing corporations, depositories, and their agents with individuals or entities engaged in prohibited activities. For more details, [click here](#).

#### **3. Clarification regarding Investor Education and Awareness Initiatives**

SEBI has partially modified the Master Circular, dated June 27, 2024, on Mutual Funds ("Master Circular") indicating that initiatives under Investor Education and Awareness include Financial Inclusion Initiatives, as approved by SEBI from time to time. For more details, [click here](#)

#### **4. Most Important Terms and Conditions (MITC) for Investment Advisers**

SEBI has specified that the Most Important Terms and Conditions (MITC) must be included in the investment advisory agreements between Investment Advisers (IAs) and their clients, in the manner specified by SEBI. Further, the MITC shall be standardized by the Industry Standards Forum (ISF) in consultation with the Investment Adviser Administration and Supervisory Board (IAASB) and SEBI. For more details, [click here](#).

#### **5. Most Important Terms and Conditions (MITC) for Research Analysts**

SEBI has specified that RAs shall incorporate the MITC into the 'Terms and Conditions' of providing research services and shall disclose the 'Terms and Conditions' to the clients and take consent thereon, in the manner specified by SEBI. This is done to ensure that RAs maintain transparency in their services and align with SEBI's regulatory standards. For more details, [click here](#).

## **6. Relaxation in timelines for holding AIFs' investments in dematerialised form**

SEBI has relaxed the timelines for AIFs to comply with the requirement of holding their investments in dematerialised form. It has been specified that the investments made by AIFs on or after July 1, 2025 must be held in dematerialized form and investments made by an AIF prior to July 1, 2025 are exempt from the dematerialization requirement. For more details, [click here](#).

## **7. Service platform for investors to trace inactive and unclaimed Mutual Fund folios- MITRA (Mutual Fund Investment Tracing and Retrieval Assistant)**

SEBI has announced that MITRA platform is developed by the RTAs to provide investors with a searchable database of inactive and unclaimed Mutual Fund folios at an industry-level which will empower the investors to identify the overlooked investments or any investments made by any other person for which he/she may be rightful legal claimant. The MITRA platform encourages investors to do KYC as per the current norms thus reducing the number of non-KYC compliant folios. For more details, [click here](#).

## **8. Parameters for external evaluation of Performance of Statutory Committees of Market Infrastructure Institutions (MIIs); and Mechanism for internal evaluation of Performance of MIIs and its Statutory Committees**

SEBI has directed MIIs (such as stock exchanges, clearing corporations, and depositories) for the appointment of independent external agency to evaluate their performance and the performance of their respective statutory committees within the prescribed periodicity and in the manner specified by SEBI from time to time. For more details, [click here](#).

## **9. Format of Due Diligence Certificate to be given by the DTs**

SEBI has partially amended the SEBI Issue and Listing of Non-Convertible Securities Regulations, 2021 ('NCS Regulations') inter-alia specifying the format of Due diligence certificate to be submitted by the DTs in case of secured and unsecured debt securities. For more details, [click here](#).

## **10. Opening of Demat Account in the name of Association of Persons**

SEBI has allowed the opening of demat account in the name of the Association of Persons (AoPs) for holding securities, such as units of mutual funds, corporate bonds and government securities in demat account. The provisions of this circular shall be effective from June 02, 2025. For more details, [click here](#).

**The above Regulatory alerts may be relevant for the individuals with the following NISM Certifications:**

- NISM Series II-A: Registrars and Transfer Agents (Corporate) Certification Examination
- NISM Series II-B: Registrars and Transfer Agents (Mutual Fund) Certification Examination
- NISM-Series-III-A: Securities Intermediaries Compliance (Non-Fund) Certification Examination
- NISM Series V-A: Mutual Fund Distributors Certification Examination
- NISM-SeriesV-B: Mutual Fund Foundation Certification Examination
- NISM Series VI: Depository Operations Certification Examination
- NISM Series VII: Securities Operations and Risk Management Certification Examination
- NISM Series X-A: Investment Adviser (Level 1) Certification Examination
- NISM Series X-B: Investment Adviser (Level 1) Certification Examination
- NISM Series X-C: Investment Adviser Certification (Renewal)
- NISM Series XV: Research Analyst Certification Examination