

## **Regulatory Alert: MIIs/MFs/FPIs/AIFs/DDPs/RTAs/AMCs/AMFI**

### **December 2024 – Vol – I**

#### **1. Guidelines to Stock Exchanges, Clearing Corporations and Depositories**

SEBI has issued guidelines to stock exchanges, Clearing Corporations and Depositories regarding mechanism to enhance accountability, quarterly report, half yearly reporting by Chief Risk Officer, Disclosure of board meeting agenda and minutes etc. For more details, [click here](#).

#### **2. Valuation of repurchase (repo) transactions by Mutual Funds.**

SEBI has partially modified Master Circular dated June 27, 2024 on Mutual Funds stating, “Investments in short-term deposits with banks (pending deployment) shall be valued on cost plus accrual basis”. Furthermore, it has also modified provisions regarding valuation of money market and debt securities described in the master circular. For more details, [click here](#).

#### **3. Business Continuity for Interoperable Segments of Stock Exchanges**

SEBI has issued guidelines to stock Exchanges, Clearing Corporations (except Commodity Derivatives Exchanges & Clearing Corporations) regarding interoperable segments of stock exchanges (i.e. Cash Market/ Equity Derivatives/ Currency Derivatives/ Interest Rate Derivatives etc.). For more details, [click here](#).

#### **4. SMS and E-mail alerts to investors by stock exchanges**

SEBI has partially modified SEBI Circular no. CIR/MIRSD/15/2011 dated August 02, 2011 and Clause 33 of Master Circular for Stock Brokers dated August 09, 2024. It has been clarified that, under exceptional circumstances, the stock broker may, at the specific written request of a client, upload the same mobile number/E-mail address for more than one client in the manner prescribed by SEBI. For more details, [click here](#).

#### **5. Repository of documents relied upon by Merchant Bankers during due diligence process in Public issues**

SEBI has advised merchant bankers to upload documents to the Online Document Repository Platform in the stipulated timeframe and in the manner prescribed by SEBI. For more details, [click here](#).

#### **6. Revised Guidelines for Capacity Planning and Real Time Performance Monitoring framework of Market Infrastructure Institutions (MIIs)**

SEBI has directed Market Infrastructure Institutions (MIIs) to follow SEBI’s guidelines while formulating the framework of capacity planning and real-time performance monitoring for their Critical Information Technology systems and supporting infrastructure. For more details, [click here](#).

**7. Enhancement in the scope of optional T+0 rolling settlement cycle in addition to the existing T+1 settlement cycle in Equity Cash Markets**

In addition to the existing 25 scrips available for trading and settlement under the Beta version of optional T+0 settlement cycle, SEBI has increased the number of eligible scrips to top 500 scrips in terms of market capitalization as on December 31, 2024. It has further issued guidelines pertaining to the participation by the stock brokers, qualified stock brokers, custodians followed by participation under the Block Deal Window. For more details, [click here](#).

**8. Relaxation from the ISIN restriction limit for issuers desirous of listing originally unlisted ISINs (outstanding as on December 31, 2023)**

SEBI has partially modified the Chapter VIII of the Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper. The modification in Clause 4A is read as, "Unlisted ISINs outstanding as on December 31, 2023 which are converted to listed ISINs, pursuant to the provision of Regulation 62A (2) of LODR Regulations shall be excluded from the maximum limit of ISINs to mature in a financial year". For more details, [click here](#).

**9. Classification of Corporate Debt Market Development Fund (CDMDF) as Category I Alternative Investment Fund**

SEBI has clarified that the Corporate Debt Market Development Fund (CDMDF), established as a backstop facility to enhance liquidity in the corporate bond market during stress, is classified as a Category I Alternative Investment Fund according to Regulation 3(4)(a) of the AIF regulations. For more details, [click here](#).

**10. Pro-rata and pari-passu rights of investors of AIFs**

SEBI has amended AIF regulations 2012 to enforce pro-rata and pari-passu rights for investors. Pro-rata rights apply to investments and distributions based on commitments, with exceptions for exclusions, defaults, or carried interest. Pari-passu rights allow differential terms for select investors without affecting others, ensuring transparency and fairness. For more details, [click here](#).

**11. Measures to address regulatory arbitrage with respect to Offshore Derivative Instruments (ODIs) and FPIs with segregated portfolios vis-à-vis FPIs**

SEBI has partially modified guidelines pertaining to the conditions for issuance of ODIs and disclosures by ODI with the purpose to enhance transparency and reduce regulatory arbitrage.

For more details, [click here](#).

## **12. Upload of Draft Scheme Information Documents**

SEBI has revised the requirement for uploading Draft Scheme Information Documents (SIDs) by Asset Management Companies (AMCs). SEBI has specified that SIDs will now be available on SEBI's website for 8 working days (down from 21) to gather public comments on disclosure adequacy and the AMCs can then file final offer documents per the Master Circular on Mutual Funds (June 27, 2024). For more details, [click here](#).

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

- NISM Series I: Currency Derivatives Certification Examination
- NISM Series II B: Registrars and Transfer Agents (Mutual Fund) Certification Examination
- NISM Series IV: Interest Rates Derivatives Certification Examination
- NISM Series V A: Mutual Fund Distributors Certification Examination
- NISM-Series-V-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-VIII: Equity Derivatives Certification Examination
- NISM Series-IX: Merchant Banking Certification Examination
- NISM Series-XIII: Common Derivatives Certification Examination
- NISM Series XIX-A: Alternative Investment Funds (Category I and II) Distributors Certification Examination+
- NISM-Series-XIX-B: Alternative Investment Funds (Category III) Distributors Certification Examination+
- NISM-Series-XIX-C: Alternative Investment Fund Managers Certification Examination