

Regulatory Alert: MIIIs/MFs/FPIs/DDPs/RTAs/CRAAs

November 2024 – Vol – I

1. Investments in Overseas Mutual Funds/ Unit Trusts by Indian Mutual Funds- Nov 04, 2024

To facilitate ease of investment in overseas mutual funds/units (MF/UTs), enhance transparency in the investment process, and enable mutual funds to diversify their overseas investments, SEBI has issued fresh guidelines covering aspects such as investment by schemes, pooling, pari-passu and pro-rata allocation, independent investment/fund managers, public disclosure, portfolio rebalancing, among others. For more details, [click here](#).

2. Disclosure of expenses, half yearly returns, yield and risk-o-meter of schemes of Mutual Funds

SEBI has partially amended the Mutual Fund Regulations, 1996, concerning the disclosure of expenses, half-yearly returns, and scheme yields. Additionally, it has revised Clause 17.4 of the Master Circular dated June 27, 2024, for Mutual Funds, which outlines the provisions related to product labeling, particularly the risk-o-meter. For more details, [click here](#).

3. Procedure for reclassification of FPI investment to FDI – Nov 11, 2024

SEBI has partially modified the Master Circular dated May 30, 2024 regarding the procedure of the reclassification of Foreign Portfolio Investment (FPI) to Foreign Direct Investment (FDI). One of the modifications states that 'In case the investment made by a Foreign Portfolio Investor (along with its investor group) reaches 10% or more of the total paid up equity capital of a company on a fully diluted basis and the FPI (along with its investor group) intends to reclassify its FPI holdings as Foreign Direct Investment (FDI), it shall follow extant FEMA Rules and circulars issued thereunder in this regard'. For more details, [click here](#).

4. Trading supported by Blocked Amount in Secondary Market – Nov 11, 2024

SEBI has decided that in addition to the current mode of trading, the Qualified Stock Brokers (QSBs) shall provide either the facility of trading supported by blocked amount in the secondary market (cash segment) using UPI block mechanism or the 3-in-1 Trading Account facility, to their clients. For more details, [click here](#).

5. Simplified registration for Foreign Portfolio Investors (FPIs) - Nov 11, 2024

SEBI has simplified the Common Application Form (CAF) process for certain Foreign Portfolio Investor (FPI) categories to streamline ease of on boarding and reduce

duplication. Applicants can now fill only unique fields, with other information auto-populated, subject to explicit consent. For more details, [click here](#).

6. Amendment to Para 15 of Master Circular for Credit Rating Agencies (CRAs)

SEBI has omitted the term "technical default" from Para 15.3 of the Master Circular for Credit Rating Agencies (CRAs) dated May 16, 2024. For more details, [click here](#).

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

- NISM-Series-II-B: Registrars to an Issue and Share 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-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