



CIRCULAR

SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/698

December 22, 2021

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

Sir/ Madam,

**Subject: Restoration of relaxed timelines w.r.t. validity of observation letter pertaining to Mutual Funds**

1. SEBI, vide circular SEBI/HO/IMD/DF3/CIR/P/2 dated March 23, 2020, extended the validity period of observation letter issued by SEBI for launch of all New Fund Offers (NFOs) from six months to one year from the date of SEBI letter.
2. Based on consultation with stakeholders, it has been decided to restore the validity period of observation letter issued by SEBI to six months to launch NFOs as specified in SEBI circular SEBI/IMD/CIR No.5/126096/08 dated May 23, 2008.
3. However, for all schemes (NFOs) where SEBI has already issued observation letter and NFOs are yet to be launched, the schemes shall be launched within one year from the date of SEBI observation letter.
4. This circular shall come into force with immediate effect.
5. 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 the provision of Regulation 77 of SEBI (Mutual Funds) Regulation, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

**Bithin Mahanta**  
**General Manager**

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