



CIRCULAR

SEBI/HO/IMD/DF2/CIR/P/2022/102

July 28, 2022

To

All Recognized Stock Exchanges/
All Clearing Corporations/
All Depositories/
All Custodians/
All Mutual Funds/
All Asset Management Companies (AMCs)/
All Trustee Companies/ Boards of Trustees of Mutual Funds/
All Registrar and Transfer Agents (RTAs)/
Stock Brokers cum Market Makers/
Association of Mutual Funds in India (AMFI)

Dear Sir/ Madam,

Subject: Addendum to SEBI Circular on Development of Passive Funds

1. This has reference to SEBI circular No. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022 on "Development of passive funds". The provisions of the said circular are applicable with effect from July 01, 2022.
2. Clause 2(IV)(A) of the aforesaid circular prescribed that in respect of units of ETFs, direct transaction with AMCs shall be facilitated for investors only for transactions above a specified threshold of INR 25 Cr.
3. Subsequently, feedback was received from stakeholders expressing certain challenges with respect to implementation of the above clause. Considering the



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

same, it has been decided that the applicability of clause 2(IV)(A) of the circular shall be November 01, 2022.

4. 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,

Manaswini Mahapatra

General Manager

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