



CIRCULAR

SEBI/HO/IMD/DF2/CIR/P/2018/19

February 07, 2018

**All Mutual Funds/ Asset Management Companies (AMCs)/
Trustee Companies/ Boards of Trustees of Mutual Funds**

Sir/Madam,

Sub: Enhancing fund governance for Mutual Funds

A. Reference is drawn to SEBI circular dated November 30, 2017 on the captioned subject. Based on representations received from the Mutual Fund (MF) industry and in order to ensure smooth transition, the following has been decided:

1. Para A (1) (iii) (b) of the aforesaid circular permits existing independent trustees and independent directors, who have held office for 9 years or more (as on November 30, 2017), to continue in their respective position for a maximum of 1 additional year.

The aforesaid provision may now be complied with, in a phased manner, within a period of 2 years.

2. Further, auditors who have conducted audit of the Mutual Fund for 9 years or more, in terms of clause B (2) (iii) (b) of the aforesaid circular, may continue till the end of F.Y. 2018 - 19.
3. All other provisions of the aforesaid circular remain unchanged.

B. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

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General Manager

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