



**CIRCULAR**

SEBI/HO/MRD1/DSAP/CIR/P/2020/29

February 26, 2020

To

All recognised Stock Exchanges, Clearing Corporations and Depositories (except Stock Exchanges and Clearing Corporations in International Financial Services Centre)

Dear Sir/ Madam,

**Subject: Facilitating transaction in Mutual Fund schemes through the Stock Exchange Infrastructure**

SEBI vide its Circular no. CIR/MRD/DSA/32/2013 dated October 04, 2013, and CIR/MRD/DSA/33/2014 dated December 09, 2014 had permitted mutual fund distributors to use recognised stock exchanges' infrastructure to purchase and redeem mutual fund units directly from Mutual Fund / Asset Management Companies.

2. Subsequently, SEBI vide its Circular no. SEBI/HO/MRD/DSA/CIR/P/2016/113 dated October 19, 2016 allowed SEBI Registered Investment Advisors (RIAs) to use infrastructure of the recognised stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/ Asset Management Companies on behalf of their clients, including direct plans.
3. In order to further increase the reach of this platform, it has been decided to allow investors to directly access infrastructure of the recognised stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/ Asset Management Companies.



**भारतीय प्रतिभूति और विनिमय बोर्ड**  
**Securities and Exchange Board of India**

4. The recognised stock exchanges, clearing corporations and depositories may make necessary amendment to their existing byelaws, rules and/or regulations, wherever required.
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 Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
6. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) at “Legal Framework→Circulars”.

Yours faithfully,

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