

CIRCULAR

SEBI/HO/IMD/IMD-I DOF5/P/CIR/2022/10

January 31, 2022

To,

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

Sir / Madam,

Subject: Change in control of the asset management company involving scheme of arrangement under Companies Act, 2013

1. Regulation 22(e) of SEBI (Mutual Fund) Regulations 1996 ("MF Regulations"), *inter-alia*, requires that no change in the control of the asset management company ("AMC") shall be made unless prior approval of the trustees and SEBI is obtained. SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021, *inter-alia*, prescribes procedure to be followed for the change in control of an AMC.
2. To streamline the process of providing approval to the proposed change in control of an AMC involving scheme of arrangement which needs sanction of National Company Law Tribunal ("NCLT") in terms of the provisions of the Companies Act, 2013, following has been decided:
 - i. The application seeking approval for the proposed change in control of the AMC under Regulation 22(e) of MF Regulations shall be filed with SEBI prior to filing the application with the NCLT;
 - ii. Upon being satisfied with compliance of the applicable regulatory requirements, an in-principle approval will be granted by SEBI;
 - iii. The validity of such in-principle approval shall be three months from the date of issuance, within which the relevant application shall be made to NCLT;

- iv. Within 15 days from the date of order of NCLT, applicant shall submit the following documents to SEBI for final approval:
 - a. Application for the final approval;
 - b. Copy of the NCLT Order approving the scheme;
 - c. Copy of the approved scheme;
 - d. Statement explaining modifications, if any, in the approved scheme *vis-à-vis* the draft scheme and the reasons for the same; and
 - e. Details of compliance with the conditions/ observations mentioned in the in-principle approval provided by SEBI.
3. All other provisions mentioned in the para C (3) of SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021 regarding the procedure for Change in Control of AMC shall remain unchanged.
4. The provisions of this Circular shall be applicable to all the applications for change in control of AMC for which the scheme(s) of arrangement are filed with NCLT on or after March 1, 2022.
5. 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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