

**CIRCULAR**

**SEBI/HO/IMD/IMD-PoD-2/P/CIR/2023/142**

**August 11, 2023**

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

Sir / Madam,

**Subject: Timeline for the Exit Option Window Period for Change in Control of AMC**

Para 17.8.1 (III) of Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 prescribes the procedure for change in control of an AMC. Considering that growth in technological communication has enabled faster dissemination of information to unitholders, request has been received from industry to review the timeline for exit option window period for change in control of AMC. The matter was deliberated in the Mutual Funds Advisory Committee (MFAC) and based on its recommendations, following has been decided:

**1. Procedure for Change in Control of AMC**

In partial modification of para 17.8.1 (III) of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the aforesaid para shall read as under:

*“The unitholders are given an option to exit on the prevailing Net Asset Value (NAV) without any exit load within a time period not less than 15 calendar days from the date of communication. However, in case of change in control resulting in consolidation or merger of schemes, the unitholders are given an option to exit on the prevailing Net Asset Value (NAV) without any exit load*

*within a time period not less than 30 calendar days from the date of communication.”*

2. All other provisions mentioned in the aforesaid master circular pertaining to the respective para shall remain unchanged.
3. All AMCs are advised to make the necessary changes to facilitate the above within one month from the date of issuance of this circular.
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 Regulation 77 of the Securities and Exchange Board of India (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,

**Lakshaya Chawla**  
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