

# **MUTUAL FUNDS - FORMAT FOR REPORTING OF ALL TRANSACTION IN DEBT AND MONEY MARKET SECURITIES**

**CIRCULAR NO. IMD/DF/6/2012, DATED 28-2-2012**

## **A. Amendments to SEBI (Mutual Funds) Regulations, 1996**

1. Please find enclosed a copy of the gazette notification No. LAD-NRO/GN/2011-12/38/4290, dated February 21, 2012 pertaining to Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2012 for your information and implementation.

## **B. Valuation of Debt and Money Market Instruments**

1. The valuation of money market and debt securities shall be in terms of the Eighth schedule.
2. In clause 2 (I) and 2(II) of the SEBI circular IMD/CIR No.16/ 193388/2010, dated February 2, 2010, reference to "91 days" shall be replaced with "60 days" with effect from 30.09.2012. Consequently, changes shall be carried out in clause 2(V) of the said circular.
3. In order to further enhance transparency, the AMCs shall disclose all details of debt and money market securities transacted (including inter scheme transfers) in its schemes portfolio on AMCs' website and the same shall be forwarded to AMFI for consolidation and dissemination as per format enclosed. These disclosures shall be made settlement date wise on daily basis with a time lag of 30 days.

## **C. Advertisement**

1. Advertisement shall be in terms of Sixth Schedule.
2. SEBI circulars dated June 05, 2000, June 26, 2003, February 26, 2008, December 15, 2009, January 18, 2010 and February 04, 2010 relating to Advertisement stands withdrawn. However, mutual funds shall continue to comply with the following:
  - While advertising pay out of dividends, all advertisements shall disclose the dividends declared or paid in rupees per unit along with the face value of each unit of that scheme and the prevailing NAV at the time of declaration of the dividend.
  - Impact of Distribution Taxes: While advertising returns by assuming reinvestment of dividends, if distribution taxes are excluded while calculating the returns, this fact shall also be disclosed.
  - Pay out of Dividend/ Bonus: While advertising pay outs, all advertisements shall disclose, immediately below the pay out figure (in percentage or in absolute terms) that the NAV of the scheme, pursuant to pay out would fall to the extent of payout and statutory levy (if applicable).

- In case of Money Market schemes or cash and liquid schemes, wherein investors have very short investment horizon, the performance can be advertised by simple annualisation of yields if a performance figure is available for at least 7 days, 15 days and 30 days provided it does not reflect an unrealistic or misleading picture of the performance or future performance of the scheme.

**D.** 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.

Format for reporting of all transaction in debt and money market securities

S.No	Name of the Security	ISIN	Fund House	Scheme Name	Maturity Date	Residual days	Settlement type	Trade Date	Valuation Date	Settlement Date	Quantity traded	Value of the Trade	Price at which valued	Yield at which valued	Type of trade*

\* Inter-scheme/ off market trade/market trade