

SEBI approves reduction in face value to Rs. 10,000 for privately placed debt securities & NCRPS, standardized record date, investment upto 35% of NAV in group cos of MF's sponsor, framework for unit based employee benefit schemes for InvIT/ REIT, tightening MF regulations for detecting and deterring market abuse etc. on [April 30, 2024](#)

SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 related

- **Disclosure of audited financials in offer document/ placement memorandum**
 - Listed Entities (LE), having outstanding non-convertible securities as on the date of the offer document, to be allowed to disclose audited financials for the last 3 years through following mode to reduce the size of the offer document and avoid technical difficulties in filing and uploading of such documents:
 - Insertion of a web-link; and
 - QR code of the stock exchange website, where such financials are hosted
- **Record date to be 15 days prior to the due dates of such payment obligations**
 - For the payment of interest (or dividend)/ repayment of principal of debt securities/ NCRPS.
 - To remove inconsistency in terms of the duration of the shut period i.e number of days between the Record Date and interest payment date/ redemption date.
- **Harmonization of the format of the due diligence certificate provided by Debenture Trustee**
 - Aligning the format given in Reg. 40 of NCS Regulations with Master Circular for DTs.
- **Issuers have the option to reduce face value of privately placed debt securities or NCRPS to Rs. 10,000, subject to appt. of Merchant Banker**
 - NCDs and NCRPS shall be plain vanilla, interest/ dividend bearing & credit enhancements permitted
 - To increase NIIs' participation in the corporate bonds market by eliminating the high ticket size barrier.

SEBI (Mutual Funds) Regulations, 1996 related

- AMCs put in place structured institutional mechanisms for detecting and deterrence of potential market abuse, including front-running and fraudulent transactions.
 - Mechanism shall consist of enhanced surveillance systems, internal control procedures and escalation processes to identify, monitor and address specific types of misconduct including front running, insider trading, misuse of sensitive information, etc.
- Amendments to MF regulations approved for AMCs to:
 - Enhance responsibility and accountability of management of AMCs; and
 - Foster transparency by having a whistle blower mechanism.
- AMFI to prescribe standards for the institutional mechanism.

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related

- **Flexibility regarding publication of financial results in newspaper to reduce cost of compliance**
 - LE with only NCS listed now have the option to make intimation, in the form of a window advertisement, with a reference to QR code and link to the website of LE and SEs, subject to prior approval of DTs (or disclosure in offer document in case of future issuance).

Equity passive MF schemes permitted to invest upto 35% of NAV in group cos of the sponsor

- Prudential norms streamlined to reduce the restriction on passive funds from replicating the underlying index, where group cos of sponsor comprise more than 25% of the index.

Unit Based Employee Benefit (UBEB) scheme for employees of manager of InvIT/REIT

- Framework approved for UBEB scheme for grant of the units of InvIT/REIT in lieu of management fees.
- Units to be allotted directly to the Employee Benefit Trust to be used exclusively for the scheme.

Other Amendments

- **Ease of compliance requirements for Market Infrastructure Institutions (MIIs)** like disclosing of their shareholding pattern in the format as applicable to listed companies, issuance of CAS in electronic form by default, rationalization of inspection period of commodity warehouses, etc.
- Flexibility in increased participation by NRIs, OCIs and RIs in the corpus of IFSC based FPIs subject to the certain disclosure requirements.
- VCFs permitted to migrate into AIF Regulations to avail facilities to deal with unliquidated investments.

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