



Securities Exchange Board of India vide circular dated July 08, 2024, has introduced Streamlining of prudential norm for passive schemes regarding exposure to securities of group companies of the sponsor of Mutual Funds for ease of doing business

- SEBI vide circular dated July 08, 2024, has introduced Streamlining of prudential norm for passive schemes regarding exposure to securities of group companies of the sponsor of Mutual Funds for ease of doing business.
- It has been decided that Equity oriented ETFs and Index Funds, based on widely tracked and non-bespoke indices, can make investments in accordance with the weightage of the constituents of the underlying index. However, such investments shall be subject to an overall cap of 35% of net asset value of the scheme, in the group companies of the sponsor and Widely tracked and non-bespoke indices shall be indices that are tracked by passive funds or act as primary benchmark for actively managed funds with collective Assets under Management (AUM) of INR 20,000 Cr. and above.
- Passive schemes based on underlying indices, other than those indices mentioned at Annexure A of this circular, shall be rebalanced within 30 business days from the date of issuance of this circular.
- The circular is herein attached.

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