



The Securities Exchange Board of India vide circular dated January 15, 2021 has issued Norms for investment and disclosure by Mutual Funds in Exchange Traded Commodity Derivatives (“ETCDs”)

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- SEBI vide Circulars No. SEBI/HO/IMD/DF2/CIR/P/2019/65 dated May 21, 2019 and No. SEBI/HO/IMD/DF2/CIR/P/2020/96 dated June 05, 2020 permitted mutual funds to participate in ETCDs. It is hereby clarified that the following exposures shall not be considered in the cumulative gross exposure as specified in paragraph 4 (v) of SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/65 dated May 21, 2019:
 - a) Short position in Exchange Traded Commodity Derivatives (ETCDs) not exceeding the holding of the underlying goods received in physical settlement of ETCD contracts.
 - b) Short position in ETCDs not exceeding the long position in ETCDs on the same goods.
- 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.

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