



CIRCULAR

SEBI/HO/IMD/DF3/CIR/P/2020/225

November 05, 2020

**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,

Sub: Enhancement of Overseas Investment limits for Mutual Funds

1. In partial modification to clause 1(b) of SEBI Circular No. SEBI/IMD/CIR No.7/104753/08 dated September 26, 2007 and clause 2 of SEBI Circular SEBI/IMD/CIR No.2/122577/08 dated April 08, 2008, it has been decided to enhance the investment limits per Mutual Fund as follows:
 - 1.1. Mutual Funds can make overseas investments subject to a maximum of US \$ 600 million per Mutual Fund, within the overall industry limit of US \$ 7 billion.
 - 1.2. Mutual Funds can make investments in overseas Exchange Traded Fund (ETF(s)) subject to a maximum of US \$ 200 million per Mutual Fund, within the overall industry limit of US \$ 1 billion.
2. The allocation methodology of the aforementioned limits shall be as follows:
 - 2.1. In case of overseas investments specified at Para 1.1, US \$ 50 million would be reserved for each Mutual Fund individually, within the overall industry limit of US \$ 7 billion.
 - 2.2. New Fund Offers (NFOs): Mutual Funds launching new schemes intending to invest in Overseas securities / Overseas ETFs shall ensure that the scheme documents shall disclose the intended amount that they plan to invest in Overseas securities / Overseas ETFs subject to



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maximum limits specified at Para 1, as the case maybe. Such limits disclosed in scheme documents will be valid for a period of six months from the date of closure of NFO. Thereafter the unutilized limit, if any, shall not be available to the Mutual Fund for investment in Overseas securities / Overseas ETFs and shall be available towards the unutilized industry wide limits. Further investments should follow the norms for ongoing schemes.

- 2.3. Ongoing Schemes: For all ongoing schemes that invest or are allowed to invest in Overseas securities / Overseas ETFs, an investment headroom of 20% of the average AUM in Overseas securities / Overseas ETFs of the previous three calendar months would be available to the Mutual Fund for that month to invest in Overseas securities / Overseas ETFs subject to maximum limits specified at Para 1, as the case maybe.
3. Further, Mutual Funds shall report the utilisation of overseas investment limits on monthly basis, within 10 days from end of each month. The format for reporting is enclosed at **Annexure A**.
 4. All other conditions specified in the above mentioned circulars shall remain unchanged.
 5. The circular shall come into force with immediate effect.
 6. 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.

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Annexure A

Overseas Investments Report as on DD/MM/YYYY

New Fund Offers (NFOs) - Overseas Investments (other than Overseas ETFs)

Name of the Mutual Fund	Name of the Scheme	Intended Investment as disclosed in Scheme Documents (in USD mn)	Date of completion of NFO	Date of completion of 6 calendar months from (4)	Limit utilized as at the month end DD/MM/YYYY (in USD mn)	Unutilized Balance Amount (in USD mn)
(1)	(2)	(3)	(4)	(5)	(6)	(7)

New Fund Offers (NFOs) - Overseas ETFs

Name of the Mutual Fund	Name of the Scheme	Intended Investment as disclosed in Scheme Documents (in USD mn)	Date of completion of NFO	Date of completion of 6 calendar months from (4)	Limit utilized as at the month end DD/MM/YYYY (in USD mn)	Unutilized Balance Amount (in USD mn)
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Ongoing Schemes

Particulars	Name of the Mutual Fund	Limit utilized as at the end of previous month DD/MM/YYYY (in USD mn)	Average AUM for previous three calendar months	Additional Limit /Headroom available based on 20% of (3)	Limit utilized as at the month end DD/MM/YYYY (in USD mn)	% of (5) on maximum entitled investment limit	Unutilized Balance Amount within maximum limit allowed (in USD mn)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Overseas Investments (other than Overseas ETFs)							
Overseas ETFs							