

**16 Jan, 2023**

**ARTICLE No. 12**

**SEBI’s NEW RULE FOR DIVIDEND AND REDEMPTION PROCEEDS FOR MUTUAL FUND UNITHOLDERS.**

Under this, every mutual fund and asset management company would be required to transfer to the unitholders the dividend payments and the redemption or repurchase proceeds within a period specified by SEBI.

1. In case of failure to transfer the proceeds within the specified period, the AMC would be liable to pay interest to the unitholders for the period of such delay.
2. It further said that physical dispatch of redemption or repurchase proceeds or dividend payments would be carried out only in exceptional circumstances and AMCs would be required to maintain records along with reasons for all such physical dispatches.
3. In addition, Sebi has amended Alternative Investment Funds (AIF) rules in order to prescribe the timeline for declaring first close of a scheme of an AIF. If the Alternative Investment Fund fails to declare the first close of the scheme in the specified manner, it shall be required to file a fresh application for launch of the scheme by paying the requisite scheme fee," the regulator said.