

Capital Market Newsflash dated 4th December, 2008

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**TOPICS**

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» **SEBI Press Release**

SEBI has vide its Press Release P.R 283/2008 dated 4th December, 2008 issued the following policy measures:

Sr. No.	Topics	Developments
1.	Extension of Validity of the Observation Letter Issued For Public / Rights Issue	Has been extended to one year (from the present three months), subject to filing of updated documents with SEBI where there are material changes.
2.	Introduction of the Electronic Rights Entitlements and Applications Supported by Blocked Amount (ASBA) in the Rights Issue Process	<ul style="list-style-type: none"> <li>• Electronic rights entitlements which can be traded electronically in Stock Exchanges have been enabled.</li> <li>• Alternate modes for making applications in rights issue viz ASBA mode have been introduced.</li> <li>• Further the issuer can now get access to rights issue proceeds only after the allotment is finalized.</li> </ul> <p>The new policy measures would help to streamline the rights issue process and make it more efficient.</p>
3.	Mutual Funds (Close ended Schemes)	<ul style="list-style-type: none"> <li>• No early exit will be allowed in any Mutual Fund (close ended schemes).</li> <li>• The schemes which have been approved earlier but not yet launched will also have to be amended accordingly.</li> <li>• It will also be obligatory for the Asset Management Company to list the close ended schemes.</li> <li>• For such close ended schemes the underlying assets will not have a maturity beyond the date on which the scheme expires.</li> </ul>
4.	Code to Avoid Conflict of Interest	<ul style="list-style-type: none"> <li>• A <input type="checkbox"/>Code to Avoid Conflict of Interest<input type="checkbox"/> for the members of the Board will be adopted.</li> <li>• The Code will be available to the public before December 12, 2008.</li> </ul>
5.	Transparency in the Working of the Board	<p>The following will be made available in the public domain after receiving the approval from the Board.</p> <ul style="list-style-type: none"> <li>• The agenda papers submitted to the Board on all policy issues; and</li> <li>• The minutes of the meeting relating to such items.</li> </ul>

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In case of any clarifications please contact our Knowledge Management Team.

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