



CIRCULAR

SEBI/HO/IMD/IMD-PoD-1/P/CIR/2025/115

August 08, 2025

To,

All Mutual Funds

All Asset Management Companies (AMCs)

All Trustee Companies of Mutual Funds

Association of Mutual Funds in India (AMFI)

Registrar to an Issue and Share Transfer Agents (RTAs)

Madam/ Sir,

Subject: Transaction charges paid to Mutual Fund Distributors

1. Paragraph 10.5 read with paragraph 10.4.1.b of SEBI Master Circular for Mutual Funds dated June 27, 2024 (Master Circular) allows AMCs to pay to the distributor transaction charges, subject to a minimum subscription amount of INR 10,000/- brought in by such distributors.
2. The public consultation on the captioned subject matter was carried out in May 2023 followed by an industry consultation in June 2025.
3. Based on the feedback received from the industry and considering that distributors as an agents of AMCs are entitled to be remunerated by the AMCs, the charges or commission, as prescribed under the paragraph 10.4.1.b and paragraph 10.5 of Master Circular, shall be done away with.
4. Accordingly, paragraphs 10.4.1.b and 10.5 of Master Circular stands deleted.
5. The circular shall come into force with immediate effect.
6. This circular is issued in exercise of the powers conferred by Section 11(1) of the Securities and Exchange Board of India Act, 1992 read regulation 52(4A) of the SEBI (Mutual Funds) Regulations 1996 to protect the interest of investors in



securities and to promote the development of, and to regulate the securities market.

7. This circular is available at www.sebi.gov.in under the link “Legal ->Circulars”.

Yours faithfully,

Peter Mardi
Deputy General Manager
Investment Management Department
+91-22-26449233
peterm@sebi.gov.in