



Mutual Fund industry announces T+2 redemption payment cycle for equity schemes

Move in-line with T+1 settlement cycle of equity markets, to benefit mutual fund investors

Mumbai/January 27, 2023: From today, Indian equity markets move to T+1 settlement cycle for all stocks, shortening the settlement cycle by a day and making availability of funds a day sooner than at present. To pass on this benefit to mutual fund investors, it has been decided all Asset Management Companies (AMCs) will move to T+2 redemption payment cycle for equity schemes, and implement this uniformly with effect from February 1, 2023, (i.e., for all transactions received before cut off timing on Feb. 1, 2023 and processed at closing NAV for February 1 2023) after allowing a couple of days for the settlement cycle /process to stabilise.

Mr. A Balasubramanian, MD & CEO Aditya Birla Mutual Fund and Chairman, AMFI commented that “T+1 settlement cycle for Indian equity markets is a global first. As an industry, we want to pass on the benefit to our mutual fund investors and hence we are proactively adopting a T+2 redemption payment cycle for equity funds”

Mr. NS Venkatesh, Chief Executive, AMFI added that “AMFI and its member AMCs always keep investor interest at the forefront. Since the day SEBI announced the phased movement of equity markets to T+1 settlement cycle, the industry has been preparing to shorten the redemption payment cycle and we are happy to announce the shift to T+2 redemption payment cycle effective February 1, 2023 onwards.”