



Central Depository Services (India) Limited

Convenient + Dependable + Secure

COMMUNIQUE TO REGISTRAR & TRANSFER AGENTS

CDSL/OPS/RTA/GENRL/2024/233

December 16, 2024

SEBI CIR - CLASSIFICATION OF CORPORATE DEBT MARKET DEVELOPMENT FUND AS CATEGORY I ALTERNATIVE INVESTMENT FUND

Issuers / RTAs are advised to refer to the SEBI Circular no. **SEBI/HO/IMD/PoD2/P/CIR/2024/174** dated **December 13, 2024**, regarding **Classification of Corporate Debt Market Development Fund (CDMDF) as Category I Alternative Investment Fund** [refer Annexure].

Issuers / RTAs are advised to take note of the same.

Queries regarding this communiqué may be addressed to: CDSL – Helpdesk Emails may be sent to: dptasupport@cdslindia.com and connect through our **IVR Number 022-62343333**.

For and on behalf of

Central Depository Services (India) Limited

sd/-

Nilesh Shah

Asst. Vice President

CIRCULAR

SEBI/HO/IMD/PoD2/P/CIR/2024/174

December 13, 2024

**Asset Management Companies (AMCs)/
Trustee Companies/ Board of Trustees of Mutual Funds/
Trustee Company of CDMDF/
Association of Mutual Funds in India (AMFI)**

Sir / Madam,

**Subject: Classification of Corporate Debt Market Development Fund (CDMDF)
as Category I Alternative Investment Fund**

1. Corporate Debt Market Development Fund (hereinafter referred to as 'CDMDF' or 'the fund') has been set-up under Chapter III-C of SEBI (Alternative Investment Funds) Regulations, 2012 (AIF Regulations) to act as a Backstop Facility for purchase of investment grade corporate debt securities, to instill confidence amongst the participants in the Corporate Debt Market during times of stress and to generally enhance secondary market liquidity by creating a permanent institutional framework for activation in times of market stress.
2. In this regard, SEBI had received representation to provide clarity on classification of CDMDF under one of the defined categories under the AIF Regulations.
3. While a separate framework has been laid down for CDMDF under chapter III-C of Regulation 19 of AIF Regulations, the fund has been set-up with the broader economic objective of development of corporate bond market, *inter-alia*, to act as a Backstop facility during times of market stress. In view of the above, it is

clarified that CDMDF falls under Category I AIF in terms of Regulation 3(4)(a) of AIF Regulations.

4. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 36 of AIF Regulations, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
5. This Circular is available at www.sebi.gov.in under the link “Legal > Circulars”.

Yours faithfully,

Peter Mardi
Deputy General Manager
Investment Management Department
Tel no.: 022-26449233
Email: peterm@sebi.gov.in