

**CIRCULAR**

**SEBI/HO/IMD/DF2/CIR/P/2019/058**

**April 11, 2019**

**All Mutual Funds/  
Asset Management Companies (AMCs)/  
Trustee Companies/ Boards of Trustees of Mutual Funds/  
Registrar and Transfer Agents/  
Association of Mutual Funds in India (AMFI)**

Dear Sir / Madam,

**Sub: Technology Committee for Mutual Funds / Asset Management Companies (AMCs)**

1. With rapid technological advancement in securities market, technology is playing a very important role in asset management business and have a major impact on the various processes and controls designed and implemented by AMCs. The role of technology related aspects has become even more critical in managing risks related to asset management business.
2. In order to deal with various technology related issues, AMCs are advised to constitute a Technology Committee comprising experts proficient in technology. Such committee shall have atleast one independent external expert with adequate experience in the area of technology in Mutual Fund industry / BFSI.
3. The aforementioned committee shall, inter alia, review the cyber security and cyber resilience framework for Mutual Funds / AMCs in terms of Para 7 of Annexure-1 of SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/12 dated January 10, 2019 and review the system audit related aspects of AMCs in terms of Para 4 of SEBI Circular SEBI/HO/IMD/DF2/CIR/P/2019/57 dated April 11, 2019 on system audit framework for Mutual Funds / AMCs.
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 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

**Yours faithfully,**

**Jyoti Sharma  
General Manager  
Investment Management Department  
Email: [jyotis@sebi.gov.in](mailto:jyotis@sebi.gov.in)**