

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER
(Application No. 7950/ 2024)**

**On the application submitted by
Wilmington Trust Collective Investment Trust - Lazard/Wilmington ACW Ex-US
Equity Advantage Fund (PAN: AAATW5548H)
Settlement Order No.: SO/BM/DS/2024-25/7950**

1. Securities and Exchange Board of India (hereinafter referred to as **SEBI**) conducted examination in the matter of delay in intimation of regulatory status by **Wilmington Trust Collective Investment Trust - Lazard/Wilmington ACW Ex-US Equity Advantage Fund** (hereinafter referred to as “**Noticee**” / “**applicant**”) to check compliance with provisions of SEBI (Foreign Portfolio Investors) Regulations, 2019 (hereinafter referred to as “**FPI Regulations, 2019**”) and applicable Circulars for the period beginning from April 28, 2023 till July 11, 2023 (hereinafter referred to as “**the examination period**” / “**EP**”). During examination, following was observed:
 - 1.1. The applicant had not intimated the change in the regulatory status, Category and Sub-Category of the FPI, within seven working days to SEBI or Designated Depository Participant (DDP).
 - 1.2. The applicant made fresh purchases before the completion of additional KYC requirements without holding a valid registration certificate.
2. Under Regulation 22(1)(c) of FPI Regulations, 2019 read with Clause 14 of Part A of the Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors, dated December 19, 2022, if there is any change in the material information previously furnished by the FPI to the DDP and/or SEBI, which has a bearing on the certificate granted by the DDP on behalf of the Board or change in regulatory status, change in category/ sub-

category of the FPI, it shall as soon as possible but not later than seven working days inform the DDP and/or the Board in writing. As per Regulation 22(1)(a) of the FPI Regulations, 2019 read with Clause 13 of Part A of Master Circular dated December 19, 2022, if an FPI registered under a particular category/ sub-category fails to comply with applicable eligibility requirements, it shall promptly notify this change to its DDP to be reclassified under appropriate category/sub-category. As per Regulation 7(5) of the FPI Regulations, 2019, foreign portfolio investor is required to have a valid registration as long as it is holding securities or derivatives in India. Regulation 3(1) of the FPI Regulations, 2019 states that no person shall buy, sell or otherwise deal in securities as a foreign portfolio investor unless it has obtained a certificate granted by a designated depository participant on behalf of the Board.

3. Pursuant to above, adjudication proceedings were initiated and the competent authority appointed the undersigned as the Adjudicating Officer (AO) vide Order dated April 10, 2024 under Section 15-I of SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “**SEBI Adjudication Rules**”) to inquire into and adjudge under Section 15A(b) and Section 15HB of the SEBI Act, 1992 for the alleged violation of provisions of Regulation 22(1)(c) of FPI Regulations, 2019 read with Clause 14 of Part A of the Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors, dated December 19, 2022; Regulation 3(1), Regulation 7(5) read with Regulation 5(a) of FPI Regulations, 2019 and Regulation 22(1)(a) of FPI Regulations, 2019 read with Clause 13 of Part A of Master Circular dated December 19, 2022; and Clause 5 of Third Schedule of Code of Conduct read with Regulation 23 of FPI Regulations, 2019.
4. A Show Cause Notice (hereafter referred to as “**SCN**”) dated April 23, 2024 was issued to the Applicant in terms of the provisions of Rule 4(1) of the SEBI Adjudication Rules, calling upon the Applicant to show cause as to why an inquiry should not be held and penalty be not imposed upon it, under Section 15A(b)

and Section 15HB of the SEBI Act, 1992, as applicable for the alleged violations of the aforesaid provisions.

5. Pending Adjudication Proceedings, the Applicant proposed to settle the instant proceedings initiated against it, without admitting or denying the findings of facts and conclusions of law, through a settlement order and filed a settlement application with SEBI bearing Settlement Application No. 7950/2024 dated June 20, 2024, in terms of the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as "**Settlement Regulations**").
6. The Internal Committee (IC) meeting was held on August 13, 2024. Factors enumerated under Regulation 10 and Schedule II of SEBI (Settlement Proceedings) Regulations, 2018 were considered by the IC. The Internal Committee (IC) recommended ₹64,35,000/- (Rupees Sixty-Four Lakh and Thirty-Five Thousand Only) as the monetary settlement term. The applicant also submitted the revised settlement terms on August 27, 2024, in line with the monetary term formulated by the IC. Consequently, the IC recommended the case for settlement. The application was subsequently placed before the High Powered Advisory Committee (HPAC) on September 06, 2024. The HPAC agreed with the recommendations of the IC and recommended that the request of the applicant for settlement may be accepted.
7. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on November 06, 2024 and the same was communicated by SEBI to the applicant on November 08, 2024.
8. Subsequently, the applicant vide email dated November 14, 2024 informed about the remittance of the settlement amount, the receipt of which is confirmed.
9. Therefore, in view of the acceptance of the settlement terms and the receipt of settlement amount as above by SEBI, the instant adjudication proceedings initiated against Wilmington Trust Collective Investment Trust -

Lazard/Wilmington ACW Ex-US Equity Advantage Fund is disposed of in terms of section 15JB of the SEBI Act read with regulation 23(1) of the Settlement Regulations on the basis of the settlement terms.

10. This order is without prejudice to the right of SEBI to take enforcement actions, in terms of regulation 28 of the Settlement Regulations, including restoring or initiating the proceedings in respect to which the settlement order was passed against the applicant, if:
 - i. it comes to the notice of the Board that the applicant has not made full and true disclosure;
 - ii. applicant has violated the undertakings or waivers:
11. This settlement order is passed on this day of **November 21, 2024** and shall come into force with immediate effect.
12. In terms of regulation 25 of the Settlement Regulations, copies of this order are being sent to the applicant viz. Wilmington Trust Collective Investment Trust - Lazard/Wilmington ACW Ex-US Equity Advantage Fund and also to SEBI.

Date: November 21, 2024

Place: Mumbai

**BARNALI MUKHERJEE
ADJUDICATING OFFICER**