

SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION

Mumbai, the 3rd August, 2021

SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) (THIRD AMENDMENT) REGULATIONS, 2021

No. SEBI/LAD-NRO/GN/2021/31.—In exercise of the powers conferred by sub-section (1) of Section 30 read with sub-section (1) of section 11, clause (b) of sub-section (2) of Section 11 and sub-section (1) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities and Exchange Board of India hereby makes the following regulations to further amend the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, namely:—

1. These Regulations may be called the Securities and Exchange Board of India (Portfolio Managers) (Third Amendment) Regulations, 2021.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020,-

I. In sub-regulation (1) of regulation 2,

- i. after clause (a) and before clause (b), the following clauses shall be inserted, namely, –

“(aa) “accreditation agency” shall have the same meaning as assigned to it in clause (aa) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;

“(ab) “accredited investor” means any person who fulfils the eligibility criteria as specified by the Board and is granted a certificate of accreditation by an accreditation agency;”

- ii. after clause (l) and before clause (m), the following clauses shall be inserted, namely, –

“(la) “large value accredited investor” means an accredited investor who has entered into an agreement with the portfolio manager for a minimum investment amount of ten crore rupees;”

II. In regulation 22,

- i. in sub-regulation (1), the symbol “.” shall be substituted with the symbol “:”
- ii. in sub-regulation (1), the following proviso shall be inserted, namely,–

“Provided that the contents of agreement specified under Schedule IV of these regulations shall not apply to the agreement between the portfolio managers and the large value accredited investors.”

III. In sub-regulation (2) of regulation 23, after the first proviso, the following proviso shall be inserted, namely, –

“Provided further that subject to appropriate disclosures in the disclosure document and the terms agreed between the client and the portfolio manager, the requirement of minimum investment amount per client shall not apply to an accredited investor:”

IV. After sub-regulation (4) of regulation 24, the following sub-regulation shall be inserted, namely, –

“(4A) The portfolio manager may offer discretionary or non-discretionary or advisory services for investment up to hundred percent of the assets under management of the large value accredited investors in unlisted securities, subject to appropriate disclosures in the disclosure document and the terms agreed between the client and the portfolio manager.”

AJAY TYAGI, Chairman

[ADV.T.-III/4/Exty./176/2021-22]

Footnote:

1. The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, were published in the Gazette of India on January 16, 2020 vide No. SEBI/LAD-NRO/GN/2020/03.
2. The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 were subsequently amended on, –
 - a. 17th April, 2020 by the Securities and Exchange Board of India (Regulatory Sandbox) (Amendment) Regulations, 2020 vide No. SEBI/LAD-NRO/GN/2020/10.
 - b. 16th March, 2021 by the Securities and Exchange Board of India (Portfolio Managers) (Amendment) Regulations, 2021 vide No. SEBI/LAD-NRO/GN/2021/10.
 - c. 26th April, 2021 by the Securities and Exchange Board of India (Portfolio Managers) (Second Amendment) Regulations, 2021 vide No. SEBI/LAD-NRO/GN/2021/16