



CIRCULAR

SEBI/HO/IMD/DF1/CIR/P/2020/185

September 28, 2020

All Investment Advisers

Sir / Madam,

Subject: Operating Guidelines for Investment Advisers in International Financial Services Centre (IFSC) – Amendments

1. SEBI, vide circular SEBI/HO/IMD/DF1/CIR/P/2020/04 dated January 09, 2020 issued Operating Guidelines for Investment Advisers in International Financial Services Centre (operating guidelines). Subsequently, certain clarifications on operating guidelines were issued vide circular SEBI/HO/IMD/DF1/CIR/P/2020/31 dated February 28, 2020.
2. Pursuant to SEBI circular SEBI/HO/MRD1/DSAP/CIR/P/2020/155 dated August 21, 2020 and developments thereafter, it has been decided to amend the provisions of the aforesaid operating guidelines, as under:
 - i. Clause 3 of the operating guidelines read with para 3 of circular dated February 28, 2020 is amended as follows-

“3. The following persons shall be eligible to apply to the Board for registration as an Investment Adviser in IFSC:

 - a. Any entity, being a company or a limited liability partnership (LLP) or any other similar structure recognised under the laws of its parent jurisdiction, desirous of operating in IFSC as an Investment Adviser (IA), may form a company or LLP to provide investment advisory services.
 - b. The formation of a separate company or LLP shall not be applicable in case the applicant is already a company or LLP in IFSC.”
 - ii. Clause 4 of the operating guidelines is amended as follows-

“4. Persons seeking registration under the Investment Adviser Regulations read with these Guidelines shall provide investment advisory services only to those persons referred in Clause 9 (3) of the IFSC Guidelines. Further, IAs shall ensure



to comply with the applicable guidelines issued by the relevant overseas regulator/ authority, while dealing with persons resident outside India and non-resident Indians seeking investment advisory services from them.”

iii. Clause 8(c) of the operating guidelines is amended as follows-

“c. The IA/ parent entity shall fulfil the aforesaid net worth requirement, separately and independently for each activity undertaken by it under the relevant regulations.”

iv. Clause 9 of the operating guidelines is amended as follows-

“9. An IA shall ensure to conduct annual audit in respect of compliance with Investment Adviser Regulations and these guidelines from a chartered accountant or a company secretary.”

3. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
4. The circular is available on SEBI website at www.sebi.gov.in under the categories “Info for – Investment Advisers” and “Legal framework - Circulars”.

Yours faithfully,

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