

May 01, 2024

Securities and Exchange Board of India (Investment Advisor) (Amendment) Regulations, 2024

The Securities Exchange Board of India (“SEBI”) vide notification dated April 26, 2024 has notified Securities and Exchange Board of India (Investment Advisers) (Amendment) Regulations, 2024 (“**Investment Advisers Amendment**”), in exercise of its powers under Section 30(1) read with Section 11(2)(b) of the Securities and Exchange Board of India, 1992 to amend Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 (“**Investment Advisers Regulation**”).

The Investment Advisers Amendment shall come into force on the 19th day from the date of their publication in the Official Gazette.

SEBI has introduced amendments through the Investment Advisers Amendment, with a primary aim to bolster the administration and supervision of investment advisers. Significant amendments entail the authorization of body or body corporate to oversee and regulate investment advisers, along with providing clarity on the enrollment procedures for both existing and prospective investment advisers under recognized entities.

The key amendments introduced by the Investments Advisers Amendment are as follows:

I. Enlistment of Investment Advisers with the Body Corporate:

A notable amendment is found in regulation 6 of Investment Advisers Regulation, where clause (n) has been substituted by the Investment Advisers Amendment to oversee the enrollment process of applicants with recognized body or body corporate. This amendment mandates that both existing and new investment advisers must be enlisted with recognized body or body corporate, thus fortifying supervision and accountability in the sector. As per the Investment Advisers Amendment, applicant must be enlisted with the recognized body or body corporate for the grant of certificate of registration by SEBI. Furthermore, it provides that existing investment advisers will be considered enlisted with the respective body or body corporate from the date of its recognition. Additionally, applicants (investment advisers) whose applications were submitted prior to the recognition date of the body or body corporate, as stipulated in regulation 14, and who receive certification thereafter, will also be regarded as enlisted with such body or body corporate.

II. Administration and Supervision of Investment Advisers:

The amended regulation 14 introduces the concept of recognizing a body or body corporate for the administration and supervision of investment advisers, aiming to streamline regulatory processes and ensure standardized practices across the sector while promoting investor protection and market integrity. According to the Investment Advisor Amendment, SEBI may recognize a body or body corporate for this purpose, subject to such terms and conditions as may be specified by the SEBI. Additionally, SEBI may stipulate that individuals cannot function as investment advisers unless enlisted with the

ABOUT THE FIRM

AKS Partners (formerly known as A.K. Singh & Co) is a law firm based in New Delhi (India) that provides a comprehensive range of legal services and solutions to domestic and international clients. The Firm offers a unique blend of the local knowledge to apply the regulatory, economic, political and cultural context to legal issues and develop case strategies.

We regularly handle technically challenging and complex multi-jurisdictional matters. Our team is spearheaded by one of the highly recognised lawyers with extensive experience in international dispute resolution and strong government and diplomatic backgrounds. This experience gives us the deepest understanding of the key decision points that are critical in navigating complex & complicated matters and managing government regulations.

recognized body or body corporate. In such cases, the provisions of the Investment Advisers Regulations, as amended from time to time and the specified provisions of the bye-laws or articles of such a body or body corporate shall apply to the investment adviser.

III. Savings Clause:

The regulation 30A has been inserted to introduce a transitional provision, which clarifies that any actions taken or to be taken against any person regarding membership of the body or body corporate recognized under regulation 14 prior to the commencement of the Investment Advisers Amendment, shall be deemed to be taken under the corresponding provisions of the Investment Advisers Amendment. This provision aims to ensure a seamless transition to the updated framework.

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AWARDS & RECOGNITIONS



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