



CIRCULAR

SEBI/HO/IMD/IMD-I DOF1/P/CIR/2021/693

December 21, 2021

To,

All Portfolio Managers

Dear Sir / Madam,

Subject: Portfolio Management Services for Accredited Investors

1. The amendment to SEBI (Portfolio Managers) Regulations, 2020 (“PMS Regulations”) notified on August 03, 2021 (available at [link](#)), read with the Circular dated August 26, 2021 *inter-alia* introduced the concept/framework of “accredited investor” and “large value accredited investor” in PMS Regulations.
2. It is hereby clarified that “accredited investor” shall have the same meaning as assigned to it under clause (ab) of sub-regulation (1) of regulation 2 of the SEBI (Alternative Investment Funds) Regulations, 2012.
3. Para 3(iv) of the SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020 (“Circular”), *inter-alia*, specifies the quantum and manner of exit load applicable to the client. It has been decided that in case of large value accredited investors, the quantum and manner of exit load applicable to the client of the Portfolio Manager shall be governed through bilaterally negotiated contractual terms and the provisions of para 3 (iv) of the Circular shall not be applicable. The other provisions of the Circular shall remain unchanged.



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 Regulation 43 of the SEBI (Portfolio Managers) Regulations, 2020, to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market.
5. The circular is available on SEBI website at www.sebi.gov.in under the categories "Info for – Portfolio Managers" and "Legal framework - Circulars".

Yours faithfully,

Manaswini Mahapatra

General Manager

+91-22-26449375

manaswinim@sebi.gov.in