



CIRCULAR

SEBI/HO/IMD/IMD-I/DOF1/P/CIR/2021/564

May 12, 2021

To

All Portfolio Managers

Dear Sir / Madam,

Subject: Procedure for seeking prior approval for change in control of SEBI registered Portfolio Managers

1. Regulation 11 of the SEBI (Portfolio Managers) Regulations, 2020 prescribes the conditions of registration as a Portfolio Manager. Vide SEBI (Portfolio Managers) (Second Amendment) Regulations, 2021 notified on April 26, 2021, a Sub-regulation (aa) has been inserted in the aforesaid Regulation 11. The link for the said amendment is available at https://www.sebi.gov.in/legal/regulations/apr-2021/securities-and-exchange-board-of-india-portfolio-managers-second-amendment-regulations-2021_49943.html
2. Regulation 11(aa) provides that a Portfolio Manager shall obtain prior approval of SEBI in case of change in control in such manner as may be specified by SEBI. Accordingly, it has been decided that all SEBI registered Portfolio Managers shall comply with the following in case they propose a change in control:
 - a. An online application shall be made to SEBI for prior approval through the SEBI Intermediary Portal (<https://siportal.sebi.gov.in>).
 - b. The prior approval granted by SEBI shall be valid for a period of six months from the date of such approval.
 - c. Applications for fresh registration pursuant to change in control shall be made to SEBI within six months from the date of prior approval.
 - d. Pursuant to grant of prior approval by SEBI, all the existing investors/ clients shall be informed about the proposed change prior to effecting the same, in order to enable them to take well informed decision regarding their continuance or otherwise with the changed management.



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

3. 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.
4. 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,

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