



## APMI COMPLIANCE SUTRA- CMM QUERIES

Reference is drawn to SEBI letter no. SEBI/HO/OW/IMD/Sec-Div.3/P/2025/20185/1 dated 28th July 2025, addressed to APMI and subsequently shared with the PMS Industry via APMI's email dated 28th July 2025 at 6:18 pm.

### Background

PARAS Portal was launched in January'25 and consist of two modules:

- **Alert Module-** Alert module refers to the alerts generated by SEBI in lieu of the Offsite data submitted by Portfolio Managers on the SI portal.
- **CMM Module-** CMM module refers to the offsite monitoring of the overall qualitative compliance requirements of the Portfolio Managers.
  - The **initial** quarterly submission was then relaxed to an annual submission with the FY 2025-26 submission due date being 30<sup>th</sup> May'26.

APMI, in consultation with Mr. Abhishek Ashish (IMD, SEBI) and Mr. Sanjay Shah (Sanjay Shah & Co. LLP), conducted three sessions under its *Compliance Sutra* initiative on 11th May 2026, 20th May 2026 and 26th May 2026.

We sincerely thank Mr. Ashish and Mr. Sanjay for their guidance and support in effectively conducting these sessions.

Based on the queries raised during these sessions, APMI has compiled a summary of the key questions and responses for the benefit and ease of its Members.



### Frequently Asked Questions:

1. We need to upload common declaration every time or once is enough?
    - Common Declaration has to be uploaded only once.
  
  2. Do we have to mention remarks against all the points even if it's compliant?
    - Mentioning of Remarks is optional.
    - You can insert your remarks, if any, against the respective question.
  
  3. Can we make changes to common declaration, or do we have to upload the same. Some points in the common declaration may not be applicable.
    - Following additional remarks may be added after individual line items as applicable in the common declaration format:
      - **Non-compliant/Partially compliant/Not Applicable**

**e.g. if the PMS only provides advisory services and does not accept funds from the clients, para 12 of the common declaration may be suffixed with “Not Applicable”. PMS shall provide rational for any suffix added in the common declaration in the PARAS portal.**
    - Same remarks should also be provided on the PARAS portal with details regarding the same in the comments section.
    - For para 3 of the common declaration, in case any disciplinary action was taken against the entities as per Regulation 7(2)(f) – the para may be modified as below and the details of such disciplinary action may be provided on the PARAS portal:  
*“Disciplinary action was taken against us as mentioned in Regulation 7(2)(f) in the FY\_\_\_\_\_.”*
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4. Is consent required if there are no associates and related party?
    - Please select “Yes” as the response. If the system allows to submit without document, Annexure I is not required, if not, blank annexure I can be submitted.
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5. How many Policies are required to be uploaded: 1. BCP 2 Investor Grievance 3.AML Policy 4.KYC Policy. Is there any other policy which is required to be uploaded.



- Kindly refer to Documentation required column in Annexure B of SEBI CMM Letter dated 28<sup>th</sup> July'26.
  - Further, any additional policy/write-up which can supplement the query being asked can be appended with the policy being uploaded.
6. If the PM is taking consent from the client to invest within the limits prescribed in the regulation but the PM has not invested in associates/ related parties, in that case, do we still have to provide the annexure?
- Yes, in that case, Annexure I is mandatory.
7. For question no. 14, is it necessary to upload the certificate for disclosure document for FY 2025-26?
- Kindly refer to Documentation required column in Annexure B of SEBI CMM Letter dated 28<sup>th</sup> July'26
8. Is this applicable to Co-PMS as well?
- Yes, it is applicable to CO-PMS as well.
9. If SEBI registration is received in January 2026 and not commenced the business yet, is it mandatory to fill up all the questions in CMM?
- Yes. Portfolio Managers may submit “Not Applicable” as the response to the queries where requirements are linked to commencement of business with appropriate justification.
10. Regarding Annexure A, ‘Common Declaration’, could you please clarify whether it needs to be uploaded along with Annexure B? Also, is there any separate prescribed format available for this declaration?”
- Annexure A is the Common Declaration that has to be uploaded once under CMM.
  - Annexure B is the CMM format.
    - Format for Common Declaration is given as Annexure A in SEBI CMM letter dated 28<sup>th</sup> July'25.
11. Can multiple documents be uploaded for one question?
- Yes, you may combine multiple documents and upload as one pdf.



12. Question number 36- point number j of Annexure B- “Provide the copy of policies as required under para 3.1 and 3.2 of SEBI Circular dated September 30, 2022. Also, provide the certified copy of respective Board/ equivalent body Resolution/ Minutes for the same.”
- Yes, you may combine the policies and relevant documents as one pdf and upload.
13. In case of non-completion of internal audit for current FY, can the internal audit report of last FY be submitted?
- Yes, you can upload the latest available internal audit report.
14. Procedure to get the questionnaire in Excel format.
- The excel format can directly be downloaded from your login on PARAS.
    - Path: <https://pms.apmiindia.org/> > Login > CMM Module > Upload File > Select FY 2025-26 > Apply
15. Which PMS Disclosure Document should be uploaded?
- Latest Disclosure Document submitted with SEBI is to be uploaded wherever required.
16. Where can we find the format of the common declaration?
- Format for Common Declaration is given as Annexure A in SEBI CMM letter dated 28<sup>th</sup> July’25, shared by APMI vide its email dated 28<sup>th</sup> July’25 at 6.18 pm.
17. If a group entity has received any warning / advisory/ observation letter from SEBI or other regulator, would that be considered as disciplinary action?
- Yes. Portfolio Managers can upload requisite documents pertaining to the action above.
18. The warning letters and internal audit observations are to be considered for FY 25-26 or for the previous years as well?
- The submission pertains to letters issued in the FY 2025-26, however, the warning letters/observations can pertain to any previous FY also.



19. Can the Common Declaration be digitally signed as the Principal Officer is travelling?

- Yes, a digitally signed document can be uploaded.

20. If a PMS has received an advisory letter in FY 2025-26 and response to the same has been submitted in April does an ATR need to be re-submitted?

- Yes, the ATR can be uploaded referring to documentation required column in Annexure B of SEBI CMM Letter dated 28<sup>th</sup> July'25.

21. Ref, question number 35 of Annexure B- If the adverse findings are not related to any of the points mentioned under PMS Regulations / Master Circular, should we need to report the same. If the adverse findings are subsequently rectified by the management, should we still need to report the same.

- Documentation Column of Annexure B for Q.35 clearly states- The PM will upload the latest Internal Audit report and compliance status of adverse findings, if any.

22. Ref. question number 23 (Annexure B)- ...alert based system in place to monitor compliance with prudential limits on investments: Prudential limits is related to investment in associates, if we are not investing in associates- Should we answer it as yes or no?

- Portfolio Managers shall confirm about existing policies and systems in place to ensure compliance – which includes an overarching policy restricting such investments at the PMS level and systems/processes/controls in place which ensures implementation of such policy.

23. If we don't have any related party and don't invest in unlisted companies, then what is the purpose of automated alert for prudential limits? Prudential limits are defined only for related party investment? So are automated alerts still required?

- See answer to Q 22.

24. With reference to Question No. 32, we would like to seek clarification on the exact understanding of the requirement regarding whether the Portfolio Manager is expected to have an alert-based system in place for monitoring compliance with prudential investment limits and exposure thresholds on an ongoing basis.



- See answer to Q 22.

25. Ref. question number 6 (Annexure B) “Whether any disciplinary action was taken against the entities as mentioned in Regulation 7(2)(f) in the financial year. If yes, provide details.”

a. What should be considered as disciplinary action against the applicant and the person directly or indirectly connected?

- Following explanation is already provided in the PMS Regulations 2020:

“Explanation. – For the purposes of sub-clause (f), the expression "person directly or indirectly connected" means any person being an associate, subsidiary company or an associate company within the meaning of sub-section (6) of section 2 of the Companies Act, 2013;”

b. As per the explanation to Regulation 7(2)(f), associate, subsidiary company or an associate company as per section 2(6) of the Companies Act, 2013, are considered as person directly or indirectly connected to the Portfolio Manager. While subsidiary company and associate company are defined in the Companies Act, kindly clarify who shall be considered as associates of the Portfolio manager and whether the group companies of the portfolio manager shall be considered as associates?

- Please see explanation given above.

26. Ref. question number 2 (Annexure B) “Whether the PM has adequate infrastructure and disaster recovery set-up?” In this regard, we would like to seek clarification on whether it is mandatory for a Portfolio Manager to maintain and submit a formal Business Continuity Policy / Disaster Recovery framework.

- Para 5.2 of Schedule III of SEBI Intermediaries Regulations, 2008 mandates the following:

*“An Intermediary shall take adequate and necessary steps to ensure that continuity in data and record keeping is maintained and that the data or records are not lost or destroyed. It shall also ensure that for electronic records and data, up-to-date back up is always available with it.”*

Accordingly, Portfolio Managers shall submit policies/controls in place to ensure compliance of the above requirement.



27. Are the Portfolio Managers required to upload the Financial Statement under CMM?

- No, Financial Statement need not be uploaded on PARAS portal under CMM.

28. CA certificate under regulation 30 is required but the timeline given in Regulation 30 is six months of close of portfolio manager's accounting period. Can previous year's certificate be uploaded?

- Yes, as mentioned in the documentation remark of Q.28 of SEBI CMM Letter- The Portfolio Manager will upload the latest available CA certificate.

Thanks & Warm Regards,  
**Association of Portfolio Managers in India**

Date: 27<sup>th</sup> May, 2026