



APMI/2023-24/10

To: **All SEBI Registered Portfolio Managers**

From: APMI Principal Officer

Subject: Formats for the 4 Annual Compliance Reports

Date: **12<sup>th</sup> October 2023**

This has reference to communication from SEBI dated 7th September 2023, wherein APMI was required to submit an appropriate proposal with the regulator for issuance of formats for the 4 annual compliance reports.

- This workflow was shared with the members of APMI Operations & Compliance Committee.
- Post the feedback received from the committee members and approval of the APMI Board, this was submitted to SEBI for guidance.
- Reference to the email of SEBI dated 11<sup>th</sup> October'23, kindly find attached herewith the formats for the 4 Annual Compliance Reports:
  1. Corporate Governance Report.
  2. Certificate of Compliance with PMS Regulations and circulars issued thereunder.
  3. Certificate of Compliance with Performance Reporting Guidelines.
  4. Certificate of Compliance with Net worth requirements.

Submitted for your required compliances.

Warm Regards,

Principal Officer

Association of Portfolio Managers in India

B-121, 10th Floor, WeWork- Enam Sambhav

G-Block, Bandra Kurla Complex, Mumbai- 400051

**Format**

**(To be submitted within 30 days of end of Financial Year)**

**Corporate Governance Report of \_\_\_\_\_ for FY 20XX-XX**

The Corporate Governance Report of the PMS \_\_\_\_\_ bearing SEBI Registration No \_\_\_\_\_ for the FY 20XX-XX is given below:

<b>S. No.</b>	<b>Particulars</b>	<b>Remarks (Indicate 'Yes' if complied with and 'No' for non-compliance along with corrective actions taken, if any)</b>
1.	Whether the Portfolio Manager has disclosed the performance of benchmark indices in the periodical reports to be furnished to the client in terms of the PM Regulations and Circulars issued thereunder?	
2.	Whether Board of the Portfolio Manager has reviewed the compliance of regulations in their periodical meetings?	
3.	Whether there is a system of getting quarterly reports by compliance officer regarding compliance of SEBI Regulations and Guidelines and also that due diligence has been exercised by their officials in their operations and that the interests of investors are protected?	
4.	Whether Board of the Portfolio Manager has reviewed redressal of investors' grievances?	
5.	Whether advisory/ caution/ deficiency/ warning letters issued to the Portfolio Managers by SEBI have been placed before the Board of the Portfolio Manager?	
6.	Whether internal audit of Portfolio Manager has been conducted by a practicing Chartered Accountant ("CA") or Company Secretary ("CS") so as to judge the quality of internal procedures being followed by the Portfolio Manager and report of the same has been submitted to the Board of the Portfolio Manager?	
7.	Whether Portfolio Manager has exercised due diligence in all its operational activities	

This certificate is issued in accordance with requirement of Para 5.2.2 of the SEBI Master Circular for Portfolio Managers dated March 20, 2023.

For PMS-----

( \_\_\_\_\_ )

**Name of the Principal Officer**

**Date:**

**Format**

**( To be submitted within 60 days of end of Financial Year)**

**Certificate of compliance**

**with PMS regulations and circulars issued thereunder**

This is to certify that the Portfolio Manager \_\_\_\_\_ bearing SEBI Registration number ..... has complied with Portfolio Manager Regulations and Circulars issued thereunder during the FY 20XX-XX except in following instances of non-compliance, if any:

Sl No	Details of Non-Compliance	Corrective Actions taken
1.		
2.		
3.		

The corrective actions for aforementioned non-compliances are duly approved by Board of the Portfolio Manager.

This certificate is issued in accordance with requirement of Para 5.2.1.2 of the Master Circular for Portfolio Managers dated March 20, 2023.

For PMS-----

( \_\_\_\_\_ )

**Name of the Principal Officer**

**Date:**

**Format**

**(To be submitted within 60 days of end of Financial Year)**

**Certificate of Compliance with Performance Reporting Guidelines**

The Certificate of Compliance with Performance Reporting Guidelines by the Firm for the PMS\_\_\_\_\_ bearing SEBI Registration No \_\_\_\_\_ for the FY 20XX-XX is given below:

<b>S. No.</b>	<b>Particulars</b>	<b>Remarks (Indicate 'Yes' if complied with and 'No' for non-compliance along with corrective actions taken, if any)</b>
	Whether during the year, Portfolio Manager has	
1.	Considered all cash holdings and investments in liquid funds, for calculation of performance.	
2.	Reported performance data net of all fees and all expenses (including taxes).	
3.	Clearly disclosed any change in investment approach that may impact the performance of client portfolio, in the marketing material.	
4.	Ensured that performance reported in all marketing material and website of the Portfolio Manager is the same as that reported to SEBI.	
5.	Ensured that the aggregate performance of the Portfolio Manager (firm-level performance) reported in any document shall be same as the combined performance of all the portfolios managed by the Portfolio Manager	
6.	Provided a disclaimer in all marketing material that the performance related information provided therein is not verified by SEBI.	
7.	Carried out the audit of firm- level performance data in line with standard terms of reference specified by APMI.	
8.	Attached/submitted the audit report on firm-level performance data to SEBI.	

This certificate is issued in accordance with requirement of Para 5.3.1 of the Master Circular for Portfolio Managers dated March 20, 2023 read with Clause 4 of Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/133 dated August 02, 2023.

For PMS-----

( \_\_\_\_\_ )

**Director/ Partner of PMS**

**Date:**

**Format**

**(To be submitted within 6 months of end of Financial Year)**

**Certificate of compliance with Net worth requirements under the  
SEBI (Portfolio Managers) Regulations, 2020**

This is to certify that the Portfolio Manager \_\_\_\_\_ bearing SEBI Registration number ..... has fulfilled the Net worth requirements as stipulated under the SEBI (Portfolio Managers) Regulations, 2020 as on March 31, 20XX.

***Amount in INR***

Paid up equity capital	
Add: Free Reserves (excluding reserves created out of revaluation)	
Less: Aggregate value of accumulated losses	
Less: Deferred expenditure not written off (including miscellaneous expenses not written off)	
Less: Minimum Capital Adequacy/ Net worth requirements (separately and independently) for any other activity undertaken under respective SEBI Regulations.	
<b>Networth</b>	

This certificate is issued in accordance with requirement of Para 5.2.1.1 of the Master Circular for Portfolio Managers issued on March 20, 2023.

**Name of the auditor:**

**Registration/Membership no.:**

**Unique Document Identification Number:**

**Date:**

(The certificate has to be issued by a qualified Chartered Accountant based on audited account within 6 months from the end of Financial Year. PMS to ensure submission to SEBI with proper forwarding by principal officer.)