



APMI/2023-24/02

Date: 24th April,2023

To,

All Portfolio Managers registered with SEBI

Dear Sir / Madam,

Subject: Clarifications on SEBI notification no. SEBI/LAD-NRO/GN/2021/48 dated September 07, 2021

1. SEBI notification no. SEBI/LAD-NRO/GN/2021/48 dated September 07, 2021 specified requirements related to NISM certification for persons engaged by portfolio managers as distributors of portfolio management services.
2. Basis the above and the various discussions held in committees, APMI made a submission with SEBI on 17th March'2023 (Annexure 1).
3. Post discussions with the regulator, we have received the following two (2) confirmations from SEBI on 18th April'23

Q1. APMI proposal regarding overseas distributors- Please refer to the detailed submission in Annexure 1.

Reply received from SEBI:

It is advised that the requirement of NISM certification may not be insisted upon the overseas distributors. However, the overseas distributors shall be required to comply with the extant laws, rules and regulations of jurisdictions where they carry out their operations in the capacity of the distributors.



Q2. APMI seeking clarification regarding applicability of NISM certification on non-individual distributors.

Reply received from SEBI:

It is clarified that all the persons engaged or employed by the non-individual distributors for the purpose of distribution of Portfolio Management Services are required to obtain the NISM certification as specified in the notification dated September 7, 2021.

We hope these clarifications will be helpful towards execution of the circular.

Yours Sincerely

Rashim Bagga

Principal Officer- Association of Portfolio Managers of India

Encl 1: APMI Submission to SEBI



Annexure 1:

Date: 17th March, 2023

To: Securities & Exchange Board of India- IMD

Subject: Seeking exemption on the applicability of NISM certification for Overseas Distributors of Portfolio Management Services

Ref: SEBI letter to AMFI dated July 05, 2012 on NISM certification for overseas distributors

Pursuant to SEBI notification no. SEBI/LAD-NRO/GN/2021/48 dated September 07, 2021, obtaining NISM certification has been made mandatory for persons engaged by portfolio managers as distributors of portfolio management services. We understand that this requirement is made applicable to all persons engaged as distributors of PMS offerings and no exemption is provided to overseas distributors who are engaged in promoting services of Indian portfolio managers in jurisdictions outside India.

In this regard, we would like to draw your attention to the referenced letter (**enclosed herewith**) wherein SEBI has granted exemption to overseas distributors of mutual funds from the requirement of obtaining NISM certification where such overseas distributors may be required to comply with extant laws, rules and regulations of jurisdictions where they carry out the activities as distributors.

In light of the above, we submit and request that a similar exemption be granted to overseas distributors engaged in distribution of portfolio management services outside India.

Submitted for your advice & guidance.

**Warm Regards,
For Association of Portfolio Managers in India**

Principal Officer

- This document has been prepared with the combined views of the members of the APMI Operations & Compliance Committee.
- Post which this document is taken up with the Board of Directors of APMI for their approval.
- Post the approval of the APMI Board, this document is getting submitted to SEBI for a discussion & guidance.