



2<sup>nd</sup> September'2023

To: **APMI Members**

From: **Association of Portfolio Managers in India**

### **Subject: Compliance Sutra**

'**Compliance Sutra**' is a value-added service which has been built for APMI members. Through this facility, we are trying to address the following key points:

- Simplifying Regulatory Compliances.
- Providing an updated Compliance checklist and submission requirements.
- Decoding of SEBI Circulars & Regulatory Requirements.
- Providing notes, simplifying and correlating SEBI Circulars with existing compliance structure.
- Providing templates for SEBI Compliances.
- Sending automated reminders for compliance due dates
- Advisor connect at first level- Resolving queries of APMI Members by conducting an online meeting of 90 minutes with our advisor.
- Advisor connect at second level- Resolving queries of APMI Members by conducting an online meeting of 90 minutes with our advisor.
- Discussions on Compliance related issues faced by the industry.
- Any other compliance related issue/problem which our members face.

**Compliance Sutra has the following 4 pillars or process stages, which is a combination of online & offline modes:**

1. Compliance Report- **Online Process, APMI Portal.**
2. Query Module- **Online Process, APMI Portal.**
3. Advisor Connect at the first level- **Offline Process.**
4. Advisor Connect at the second level- **Offline Process.**

### **Process Note for Compliance Sutra**



## Part A: Compliance Report:

1. Post the login, APMI Members will have a tab called **Compliance Report** and it carries the following features:
  - a. A summary of all PMS reporting requirements to SEBI & few allied compliances.
  - b. Links to related SEBI Circulars.
  - c. Reference of related page and para number of the circular.
  - d. Listing of Applicability.
  - e. Frequency of reporting.
  - f. Deadline of reporting.
  - g. Effective Date of implementation.
  - h. Actionable for the PMS.
  - i. Format for submission.
2. Members will have the facility to download/view this report by using the filters of Applicability Date of the Circular **or** by the Entry Date of the Circular.
  - **Steps for using the Compliance Report:**
    - Log into APMI Portal <https://www.apmiindia.org/apmi/login.htm> using your login credentials.
    - After clicking on the main menu button (3 red horizontal bars):
      - a. Click on 'Reports'.
      - b. Click on 'Compliance Report'
      - c. You will see two options to generate this report-
        - 'Entry Date'- Entry date of the variable in the APMI system.
        - 'Effective Date'- Applicability date of the variable.
      - d. Once you have chosen the option you can choose 'From Date' and 'To Date'
      - e. Click on "Apply" to generate the Compliance Report.
      - f. 'Compliance Master Report' can be viewed with all the relevant details.

## Part B: Query Module:

1. APMI Member will have a query posting module under their login ids.
2. APMI members can select this module and write/upload an image of their query related to applicable PMS compliances.
3. A token number will be immediately created for the specific query.
4. APMI will receive your query and a submission of all queries will be taken up in the respective APMI Committees and/or in the monthly call with APMI Compliance advisors.
  - **Steps for uploading the Query:**
    - Log into APMI Portal <https://www.apmiindia.org/apmi/login.htm> using your login credentials.
    - After clicking on the main menu button (3 red horizontal bars):
      - Click on 'Utilities'



- Go to **'Query Management'**.
- Click on **'Add'**
- Under **'Subject'** - Narrate the subject to your query.
- Under the **'Module name'** dropdown, (listing of activities, issues) select **'Compliance Sutra'**.
- **'File Attachment'**, in case you want to further specify your query by attaching a file. v. **'Description'** wherein you can provide a brief description of your query.
- Click on **'Submit'**, post which you will get a pop-up message on your screen, giving you the **unique ticket number** for your query.
- Click on **'View'** to check the live status of your queries.

#### Part C & D: Calls with the Advisor(s) at Primary level and Secondary level:

1. We will start with one call each of 90 minutes duration with Advisor(s) at Primary and Secondary level, every month.
2. During these calls the Advisor(s) will try and resolve/answer the queries which have been received through the query module.
3. The Advisor(s) will also take up any other questions related to the SEBI & APMI Circulars, their applicability or any other point of discussion.



## Important Disclosures to APMI Members

1. Compliance Sutra & Query Management is a value-added service which we are incorporating on the APMI portal for our members only.
2. Compliance Sutra & Query Management is a step by APMI to help its members in executing & implementing the required regulatory compliances.
3. This initiative is more focused and helpful for Portfolio Managers who have AUMs of less than Rs 500 crores, constituting around 75% of the industry participants.
4. APMI however encourages all its members to avail these services and provide feedback to constantly improve the contents of the Compliance Sutra module.
5. The consultant's fees for the online sessions are paid by APMI and hence APMI encourages all its members to avail these services to the maximum extent possible. However, if any of the members wish to engage the services of the consultants for specific activities for their entities, then they would need to bilaterally engage their services at their own cost.
6. Please note that APMI's endeavour is to provide assistance to members so that members discharge their compliance obligations to SEBI and the investors.
7. The views expressed by the experts or made available on the Compliance Sutra & Query Management do not have the status of APMI Circulars or SEBI approved regulatory guidance's.
8. At any given point the advice/suggestion/guidance given by APMI or by any of its advisors are for general guidance purpose only on routine / day-to-day operational and compliance matter and should not be treated as a legal opinion.
9. In certain cases, the views expressed or advice / guidance provided by the APMI Committee Members/ APMI/ advisor may be dependent on the facts and circumstance of the particular case or entity. In such case, the accuracy or completeness of the suggestion/ advice / guidance would be dependent on the extent to which the facts and circumstances are disclosed by the member to APMI or its advisors, and to that extent, may have inherent limitations due to confidentiality or privacy concerns.
10. APMI shall not be responsible for any contrary position the regulators or judiciary or other law enforcement agencies may take for members' actions taken basis the guidance provided under "Compliance Sutra & Query Management."
11. The members are expected to do their own analysis and due diligence while taking any action in reliance on the advice or guidance given by APMI appointed advisors



through Compliance Sutra; and seek independent legal / expert advice when in doubt.

12. APMI or its advisors will not be in any manner responsible for any loss incurred by, or damage caused to, the member for their action based on the APMI advisor's advice or guidance.
13. The advisor's services under Compliance Sutra are not meant to be used for any advice or guidance in relation to any inspection or investigation of the member undertaken by SEBI or any further disciplinary action initiated by SEBI or other regulatory / statutory authorities.

**Request:**

- This initiative is a step towards resolving and clarifying Compliance related queries at PMS industry level.
- Whilst all measures have been taken to ensure that we present you a complete module, we believe that there could still be gaps given this is our first attempt.
- Hence, we request for support and feedback from our all members in improving the content of the module.

Looking forward to hearing from you.

Warm Regards,

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