General Manager
Investment Management Department
Supervision, Enforcement and Complaints Division-3

SEBI/HO/OW/IMD /SEC-Div3/P/2025/20185/1
July 28, 2025

Chairman,
Association of Portfolio Managers in India (APMI)
B-121, 10th Floor, WeWork, Enam Sambhav,
C-20, G-Block, Bandra Kurla Complex, Mumbai- 400051

Sub: Offsite Monitoring of qualitative compliance aspects through Compliance Monitoring Module (CMM) for Portfolio Managers

Dear Sir,

1. SEBI vide Letter No. SEBI/HO/OW/IMD /SEC-Div3/P/2025/9695/1, dated 28th March, 2025 prescribed the compliance requirements for submission w.r.t specified PIQs through the Compliance Monitoring Module (CMM) in PARAS. The submissions were to be made on a quarterly basis.

2. Upon review and based on the request received from APMI to relax the frequency of the aforementioned submissions, the revised frequency and timelines are as under—
   2.1. **Frequency:** Portfolio Managers shall make the required submissions on CMM on annual basis.
   2.2. **Applicable timelines:** Within 60 days of end of financial year, e.g. for FY 2025-26 the submission shall be made latest by May 30, 2026.

3. Additionally, following changes have been made in the compliance requirements:
   3.1. To harmonize the submission requirements on CMM with submissions made by Portfolio Managers on SI Portal, Portfolio Managers shall not be required to provide audited Financial Statement on CMM Module.

   3.2. Vide circular SEBI/HO/ITD-1/ITD_CSC_EXT/P/CIR/2024/113 dated August 30, 2024, all Portfolio Managers are mandated to have Cybersecurity and Cyber Resilience Framework (CSCRF) from April 01, 2025. Hence, the comments for CSCRF compliance requirement in CMM have been revised.

   3.3. The format for submission of details of clients from which Portfolio Manager has obtained consent for investment in associate securities in compliance with clause 3.5. of the PMS Master Circular dated July 16, 2025 was shared by APMI. The same is attached herewith as **Annexure I** with minor changes to align with the changes in compliance frequency.

Accordingly, revised format for declaration (**Annexure A**) and list of PIQs (**Annexure B**) for which Portfolio Managers shall make submissions on CMM module is attached herewith.

4. In view of above, APMI is advised to circulate these revised compliance requirements to all Portfolio Managers promptly, and the Portfolio Managers shall be advised to ensure timely compliance.

5. Further, APMI is advised to ensure that the necessary changes are made in the CMM module of PARAS portal in line with above submission timelines.

Yours faithfully,

Priyanka Mahapatra

Priyanka Mahapatra

Encl: A/A

Annexure B

S. No.	Particulars	Status	Documentation Required
1	1. Whether Portfolio Manager is complying with requirements for Dealing Room and Dealing Team as specified in Clause 2.7.2 of Master Circular for Portfolio Managers? 2. Whether audit trail is maintained for all activities related to management of funds and securities of clients as per Clause 2.7.4 of Master Circular for Portfolio Managers?	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	Common Declaration
2	Whether the Portfolio Manager has adequate infrastructure and disaster recovery set-up?	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	- BCP policy to be uploaded by the PM.
3	Was the Portfolio Manager's website accessible at all points of time during the financial year?	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	- The PM who does not have a website will submit the dropdown option as 'Not compliant " - The PM who has a website will upload the server downtime report. If there was no downtime during the financial year, PM can respond "Compliant".
4	Whether any warning/deficiency/advisory/observation was issued to the Portfolio Manager in financial year? If yes, provide action taken report for compliance with the same.	Yes/No	- ATR will be uploaded by the PM where there is a case of any warning/deficiency/advisory/observation issued to the PM in the financial year. - For others, the PM will select the dropdown as "No"
5	Whether the Portfolio Manager, its principal officer, its director, promoter, partners and key management persons by whatever name called are fit and proper persons based on the criteria specified in Schedule II of the SEBI (Intermediaries) Regulations, 2008.	Yes/No	Common Declaration

6	Whether any disciplinary action was taken against the entities as mentioned in Regulation 7(2)(f) in the financial year. If yes, provide details.	Yes/No	Common Declaration
7	Whether the agreements entered with clients in the financial year are compliant with regulatory requirements including but not limited to Regulations 22(1) and 22(2)?	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	Common Declaration
8	Whether consent was obtained from all clients onboarded in this financial year by the Portfolio Manager for investment in associates/related entities? If not, reasons thereof and number of such clients.	Yes/No	- PM's will upload the report defining the status of the consent obtained from the clients. - Report format is attached as Annexure I.
9	Whether all heads of fees were part of agreement entered by Portfolio Manager with all its clients?	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	Common Declaration
10	Whether disclosures made by the Portfolio Manager regarding its performance as per Regulation 22(4)(e) and in terms of Clause 4.5, 4.6 and 4.6A of Master Circular to all the active clients of the Portfolio Manager? Also provide details of objections raised upon such disclosures by clients, if any.	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	Common Declaration
11	Whether the Portfolio Manager is compliant with cyber security and cyber resilience framework as specified in Clause 2.8 of Master Circular for Portfolio Managers?	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	- The PM will upload their Cybersecurity and Cyber Resilience Framework (CSCRF)

12	Whether the Portfolio Manager has automated system in place for funds and securities management in compliance with Clause 2.7.3 of Master Circular for Portfolio Managers?	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	Common Declaration
13	Whether there is any deviation in disclosure documents shared with clients from the provisions made in Regulation 22(4) read with Schedule V and Regulation 22(12)? If yes, provide details.	Yes/No	Common Declaration
14	Whether independent chartered accountant has certified that the contents of the Disclosure Document shared with clients are in compliance with regulatory requirement.	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	- The PM will upload the CA certificate. - If there is a change in the Disclosure document, the PM will upload the revised file.
15	Whether all material changes disclosed in Disclosure Document and filed with SEBI in timely manner?	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	Common Declaration
16	1. Whether the funds of discretionary clients are managed individually and independently by the Portfolio Manager without partaking the character of a Mutual Fund? 2. Whether the Portfolio Manager followed all directions of its non-discretionary clients with respect to fund management.	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	Common Declaration

17	Whether the portfolio manager has acted in a fiduciary capacity with regard to the client's funds.	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	Common Declaration
18	Whether the portfolio manager keeps the funds of all clients in a separate account maintained in a Scheduled Commercial Bank?	Yes/No	Common Declaration
19	Whether the portfolio manager transacts in securities within the limitation placed by the client himself with regard to dealing in securities under the provisions of the Reserve Bank of India Act, 1934 (2 of 1934).	Yes/No	Common Declaration
20	Whether the portfolio manager has derived any direct or indirect benefit out of the client's funds or securities.	Yes/No	Common Declaration
21	Whether the portfolio manager has lent securities held on behalf of the clients to a third person except as provided under these regulations.	Yes/No	Common Declaration
22	Whether the money or securities accepted by the portfolio manager are invested or managed by the portfolio manager in terms of the agreement between the portfolio manager and the client.	Yes/No	Common Declaration
23	Whether the Portfolio Manager has an alert based system in place to monitor compliance with the prudential limits on investments?	Yes/No	Common Declaration
24	Whether the portfolio manager has invested the clients' funds in the portfolio managed or administered by another portfolio manager.	Yes/No	Common Declaration
25	Whether the portfolio manager has invested client's funds based on the advice of any other entity.	Yes/No	Common Declaration
26	Whether the portfolio manager ordinarily purchases or sells securities separately for each client and in the event of aggregation of purchases or sales for economy of scale, inter se allocation shall be done on a pro rata basis and at weighted average price of the day's transactions.	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	Common Declaration

27	Whether the portfolio manager has segregated each clients' funds and portfolio of securities from his own funds and securities and is responsible for safekeeping of clients' funds and securities.	Yes/No	Common Declaration
28	Whether independent Chartered Accountant has certified that the Portfolio Manager has followed proper accounting methods and procedures and that the portfolio Manager has performed his duties in accordance with the law while maintaining client-wise accounts as per the provisions of Regulation 30?	Yes/No	- The PM will upload the latest available CA certificate.
29	Whether the portfolio manager has provided audited portfolio accounts to all clients as per Regulation 30? If not, reasons thereof and number of such clients.	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	Common Declaration
30	Whether statements were furnished to all the clients highlighting the details as per Regulation 31(1). If not, reasons thereof and number of such clients.	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	Common Declaration
31	Whether all clients whose contracts were terminated in the financial year were provided with statement of account Regulation 31(3). If not, reasons thereof and number of such clients.	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	Common Declaration
32	Whether all related party/associates transactions were carried out in compliance with regulatory provisions?	**Compliant/ Compliant (No Change)/ Non-compliant/**	Common Declaration

		Partially compliant/Not Applicable	
33	Whether Portfolio Manager has dispatched/sent physical copy of periodic report to clients as required under Regulation 31(1) of SEBI(PMS) Regulations, 2020 in instances of failure/rejections/returned undelivered emails regarding the same?	Yes/No	Common Declaration
34	Whether the investor grievance redressal and dispute resolution procedure is in line with regulatory provisions of SEBI? If there was any delay provide details thereof.	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	- The PM will upload the investor grievance redressal and dispute resolution policy.
35	Whether there were any adverse findings in the internal audit? If yes, provide compliance status against the same.	Yes/No	- The PM will upload the latest Internal Audit report and compliance status of adverse findings, if any.
36	Whether the AML policy covers the following dealings: a. Details of your associates dealing as clients through you. b. Whether continuous due diligence and scrutiny is being conducted for the clients? c. Whether client details including financial details are reviewed periodically and updated? d. Whether sufficient information is obtained in order to identify persons who beneficially own or control securities account? e. Whether risk / investment profiling of the clients has been done as per the written down policy of the company? f. Instances of cash/ DD acceptance, if any, g. Names of the clients for whom KYC has not been maintained. h. Names of the clients for whom in-person verification has not been done. i. Details regarding third party payments / receipts of funds / securities; viz. name of client, value involved, date, account from / to transferred and reason for the same.	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	- The PM will upload the AML policy.

	j. 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. k. Please explain detail the procedure, process undertaken with regard to the following aspects: i. PMLA policy & instance of Cash/Suspicious Transactions. ii. Client due diligence (CDD) policy. iii. Client acceptance policy iv. Settlement of funds/ securities v. Account Opening Procedure vi. Issuance and collection of cheques to/from clients. vii. Controls in place to prevent acceptance/issuance of funds/securities from other than clients. viii. Suspicious transaction monitoring and reporting ix. Freezing of funds, financial assets or economic resources or related services		
37	Please explain in detail the policy, process/procedure undertaken by you with respect to dealing with the following: a. Account opening procedure / On-boarding of clients b. Fees and charges c. Risk / investment profiling d. Investment Approach e. Performance of the Portfolio Manager f. Investment of clients' fund and management of clients' securities. g. Maintenance of books of accounts, records etc. as per Regulation 27 & 29. h. Advisory Services provided i. Conflict of interest j. Know your client procedure k. Segregation of activities related to portfolio management services with other activities	**Compliant/ Compliant (No Change)/ Non-compliant/ Partially compliant/Not Applicable**	- The PM will upload their KYC policy.

	l. Basis of trade allocation for the clients (i.e. pre-trade and post-trade) and the manner of allocating trades (whether it is manual or automated) once trades are confirmed by the broker. The technology used by the portfolio managers and whether the same is in line with updated technology.		

(on the letterhead of the PMS)

Annexure A

To

Securities and Exchange Board of India

Mumbai, India

COMMON DECLARATION ON COMPLIANCE OF QUALITATIVE ASPECTS

I/We hereby confirm complying with the below mentioned:

1. Requirements for Dealing Room and Dealing Team as specified in Clause 2.7.2 and maintenance of audit trail for all activities related to management of funds and securities of clients as per Clause 2.7.4 of the Master Circular for Portfolio Managers (Master Circular).
2. The Portfolio Manager, Principal Officer, Directors, Promoters, Partners and Key Management Persons by whatever name called are fit and proper persons based on the criteria specified in Schedule II of the SEBI (Intermediaries) Regulations, 2008.
3. No disciplinary action was taken against us as mentioned in Regulation 7(2)(f) in the FY______.
4. The agreements entered with clients in the FY______ are compliant with regulatory requirements including but not limited to Regulations 22(1) and 22(2).
5. All heads of fees were part of the agreement entered between us and each client.
6. Disclosures are made regarding performance as per Regulation 22(4)(e) in terms Clause 4.5, 4.6 and 4.6A of Master Circular to all the active clients.
7. Automated systems are in place for funds and securities management in compliance with Clause 2.7.3 of the Master Circular.
8. There is no deviation in disclosure documents shared with clients from the provisions made in Regulation 22(4) read with Schedule V and Regulation 22(12).
9. All material changes are disclosed in Disclosure Document and filed with SEBI in a timely manner.
10. The funds of discretionary clients are managed individually and independently by us without partaking the character of a Mutual Fund and we have followed all directions of our non-discretionary clients with respect to fund management.
11. We act in a fiduciary capacity with regard to the client's funds.
12. The funds of all clients are kept in a separate accounts maintained in a Scheduled Commercial Bank.
13. We transact in securities within the limitation placed by the client himself with regard to dealing in securities under the provisions of the Reserve Bank of India Act, 1934 (2 of 1934).
14. We have not derived any direct or indirect benefit out of the client's funds or securities.
15. We have not lent the securities held on behalf of the clients to a third person except as provided under the regulations.

(on the letterhead of the PMS)

16. Money or securities accepted by us are invested or managed in terms of the agreement between us and the client.
17. We have an alert based system in place to monitor compliance with the prudential limits on investments.
18. We have not invested the clients' funds in the portfolio managed or administered by another portfolio manager.
19. We have not invested client's fund based on the advice of any other entity.
20. We confirm ordinarily purchasing or selling of securities separately for each client and in the event of aggregation of purchases or sales for economy of scale, inter se allocation is done on a pro rata basis and at weighted average price of the day's transactions.
21. We have segregated each clients' funds and portfolio of securities from his/her own funds and securities and are responsible for safekeeping of clients' funds and securities.
22. We have provided audited portfolio accounts to all clients as per Regulation 30.
23. Statements were furnished to all the client highlighting the details as per Regulation 31(1).
24. All clients whose contracts were terminated in the FY________ were provided with statement of account as per Regulation 31(3).
25. All related party/associates transactions were carried out in compliance with regulatory provision.
26. We have dispatched/sent physical copy of periodic report to clients as required under Regulation 31(1) of SEBI(PMS) Regulations, 2020 in instances of failure/rejections/returned undelivered emails regarding the same.

For and on Behalf of

(Entity Name)

____

Signature of the Principal Officer

Annexure I

To

Securities and Exchange Board of India

Mumbai, India

Status of prior consent of the clients regarding investments in the securities of associates/related parties

Name of the PMS Entity:

SEBI Registration No.:

Pursuant to our submission on PARAS-CMM for the FY _______ under 'Compliance Reporting Category 2' for the question – "*Whether consent was obtained from all clients onboarded in this quarter by the Portfolio Manager for investment in associates/related entities? If not, reasons thereof and number of such clients*"; we hereby state the below:

1. As per **SEBI Circular dated August 26, 2022** and **clause 3.5 of the PMS Master Circular dated July 16, 2025**, we have to obtain a one-time prior consent from the clients regarding investments in the securities of associates/related parties in the format specified as **Annexure 3A**;

2. We have onboarded ____ clients in FY 2025-26;
3. Out of ____ clients onboarded:
    a. ____ clients have provided positive consent
    b. ____ clients have indicated dissent
    c. Consent was not obtained from ____ clients;

4. Reason for non-compliance (if any):

For and on Behalf of

(Entity Name)

____

Signature of the Principal Officer