

**THE GAZETTE OF INDIA**

**EXTRAORDINARY**

**PART – III – SECTION 4**

**PUBLISHED BY AUTHORITY**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**NOTIFICATION**

**Mumbai, the 19<sup>th</sup> October, 2020**

**SECURITIES AND EXCHANGE BOARD OF INDIA (ALTERNATIVE INVESTMENT FUNDS) (AMENDMENT) REGULATIONS, 2020**

**No. SEBI/LAD-NRO/GN/2020/37—** In exercise of the powers conferred by sub-section (1) of Section 30 read with sub-section (1) of Section 11, clause (ba) and clause (c) of sub-section (2) of section 11 and sub-section (1) and (1B) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 namely:—

1. These regulations may be called the Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2020.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012-
  - I. Sub-clause (g) of regulation 4 shall be substituted with the following, namely, -

“(g) The key investment team of the Manager of Alternative Investment Fund has -

- (i) adequate experience, with at least one key personnel having not less than five years of experience in advising or managing pools of capital or in fund or asset or wealth or portfolio management or in the business of buying, selling and dealing of securities or other financial assets; and
- (ii) at least one key personnel with professional qualification in finance, accountancy, business management, commerce, economics, capital market or banking from a university or an institution recognized by the Central Government or any State Government or a foreign university, or a CFA charter from the

CFA institute or any other qualification as may be specified by the Board:

Provided that the requirements of experience and professional qualification as specified in regulation 4(g)(i) and 4(g)(ii) may also be fulfilled by the same key personnel.”

II. After sub-regulation (5) of regulation 20, the following shall be inserted, namely, -

“(6) The Manager shall be responsible for investment decisions of the Alternative Investment Fund:

Provided that the Manager may constitute an Investment Committee (by whatever name it may be called), to approve investment decisions of the Alternative Investment Fund, subject to the following:

- (i) The members of Investment Committee shall be equally responsible as the Manager for investment decisions of the Alternative Investment Fund.
- (ii) The Manager and members of the Investment Committee shall jointly and severally ensure that the investments of the Alternative Investment Fund are in compliance with the provisions of these regulations, the terms of the placement memorandum, agreement made with the investor, any other fund documents and any other applicable law.
- (iii) External members whose names are not disclosed in the placement memorandum or agreement made with the investor or any other fund documents at the time of on-boarding investors, shall be appointed to the Investment Committee only with the consent of at least seventy five percent of the investors by value of their investment in the Alternative Investment Fund or scheme.
- (iv) Any other conditions as specified by the Board from time to time.”

Sd/-

**AJAY TYAGI**  
**CHAIRMAN**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**

**Footnote:**

1. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 were published in the Gazette of India on May 21, 2012 vide No. SEBI/LAD-NRO/GN/2012-13/04/11262.
2. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 were subsequently amended on, –
  - (1) 16<sup>th</sup> September, 2013 by Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2013 vide No. LAD-NRO/GN/2013-14/24/6573.
  - (2) 23<sup>rd</sup> May, 2014 by Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2014 vide No. LAD-NRO/GN/2014-15/03/1089.
  - (3) 26<sup>th</sup> September, 2014 by Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 vide No. LAD-NRO/GN/2014-15/11/1576.
  - (4) 14<sup>th</sup> August, 2015 by Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2015 vide No. SEBI/LAD-NRO/GN/2015-16/011.
  - (5) 4<sup>th</sup> January, 2017 by Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2016 vide No. SEBI/LAD/NRO/GN/2016-17/026.
  - (6) 6<sup>th</sup> March, 2017 by Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017 vide No. SEBI/LAD/NRO/GN/2016-17/037.
  - (7) 1<sup>st</sup> June, 2018 by Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2018 vide No. SEBI/LAD/NRO/GN/2018/19.
  - (8) 10<sup>th</sup> May, 2019 by Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2019 vide No. SEBI/LAD/NRO/GN/2019/16.
  - (9) On 17 April, 2020 by the Securities and Exchange Board of India (Regulatory Sandbox) (Amendment) Regulations, 2020 vide No. SEBI/LAD-NRO/GN/2020/10.

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