भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

HO/19/34/11(7)2025-AFD-POD1/I/20626/2026 September 07, 2026

To,

All Alternative Investment Funds (AIFs)

Sir/Madam,

Sub: Relaxation in timeline with respect to Accredited Investor mandate for Angel Funds

1. Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ('AIF Regulations') were amended and notified on September 09, 2025, to prescribe the revised regulatory framework for Angel Funds.

2. Subsequently, SEBI vide circular dated September 10, 2025 stipulated the specific conditions and modalities with respect to the revised regulatory framework for Angel Funds. The same has now been subsumed in Chapter 8 of the SEBI Master Circular for AIFs dated June 03, 2026 ('AIF Master Circular').

3. In terms of para 8.1.1 of the AIF Master Circular, Angel Funds which are granted registration by SEBI post September 10, 2025, have been mandated to on-board and offer investment opportunities to Accredited Investors only ('Accredited Investor mandate').

4. Further, in terms of para 8.1.2 of the AIF Master Circular, Angel Funds registered with SEBI on or before September 10, 2025, have been provided a transitional period to comply with the Accredited Investor mandate, as per the following conditions –

   (a) Such Angel Funds shall implement the Accredited Investor mandate on or before September 08, 2026 and shall not offer investment opportunity to more than 200 non-Accredited Investors during this period.

   (b) Such Angel Funds shall not accept contribution for investment in an investee company from non-Accredited Investors, post September 08, 2026.

(c) Existing investors of such Angel Funds shall continue to hold their investments already made in the Angel Fund as per the terms of the PPM and/or fund documents of the Angel Fund.

5. Based on representation from the AIF industry requesting additional time for the then existing Angel Funds to meet the Accredited Investor mandate, it has been decided to extend the said timeline specified at para 4(a) and 4(b) above till March 31, 2027, for their ease of compliance. Accordingly, para 8.1.2 of the AIF Master circular shall stand modified as under –

"Angel Funds registered with SEBI on or before September 10, 2025 shall comply with the following –

(a) Such Angel Funds shall implement the aforesaid mandate on or before March 31, 2027 and shall not offer investment opportunity to more than 200 non-Accredited Investors during this period.

(b) Such Angel Funds shall not accept contribution for investment in an investee company from non-Accredited Investors, post March 31, 2027.

(c) Existing investors of such Angel Funds shall continue to hold their investments already made in the Angel Fund as per the terms of the PPM and/or fund documents of the Angel Fund."

6. All other provisions of Chapter 8 of the AIF Master Circular shall remain unchanged.

7. This circular shall come into force with immediate effect.

8. This circular is issued with the approval of the competent authority.

9. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulations 19D(1) and 36 of AIF Regulations, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

10. The circular is available on SEBI website at www.sebi.gov.in under the categories "Legal → Circulars" and "Info for → Alternative Investment Funds".

11. The SEBI Master Circular for AIFs dated June 03, 2026 has also been updated with the provisions of this circular. The updated Master Circular for AIFs is available on SEBI website at www.sebi.gov.in in the path "Legal → Master Circulars" and "Info for → Alternative Investment Funds".

Yours faithfully,

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