भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

HO/19/34/11(6)2026-AFD-POD1/I/25244/2026 November 05, 2026

To,

All Alternative Investment Funds ("AIFs")

All recognised Accreditation Agencies

All Portfolio Managers

All Investment Advisers

All Research Analysts

All Mutual Funds

Sir/ Madam,

Sub: Review of the framework for Accredited Investors

1. With an objective to ease and expedite the process of accreditation, the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations"), have been amended and notified on October 15, 2026.

2. The modalities for implementing these provisions are specified below.

3. **Manager led accreditation**

   3.1. A Manager may determine and record an investor's accredited status at onboarding or during the tenure of a scheme, after verifying that the investor meets eligibility criteria under the AIF Regulations and this circular. For the purpose of accreditation, "Manager" means the manager of an AIF, the asset management company of a Specialized Investment Fund (SIF) (as defined under SEBI (Mutual Funds) Regulations, 2026) or a portfolio manager (as defined under SEBI (Portfolio Managers) Regulations, 2026), as applicable.

   3.2. A determination made by a Manager shall be recognised across Managers of the same Group for AIFs, SIFs and portfolio management services during the validity period specified in paragraph 4. "Group" has the meaning assigned to "corporate group" under Explanation I to Regulation 19F(1) of the AIF Regulations.

3.3. An Investment Adviser (IA) or Research Analyst (RA) shall not determine accredited status of an investor independently, but may rely on a valid determination made by a Manager in its Group.

3.4. The Manager shall record the accreditation status of an investor and shall confirm the same in writing to the investor. The Manager shall inform the investor of the date of accreditation and the validity period.

3.5. Manager led accreditation is an additional and optional route. The Accreditation Agency route shall continue to be available. When an investor furnishes a valid certificate of accreditation from a recognised Accreditation Agency, the Manager shall rely on it and shall not conduct fresh determination during its validity.

4. **Validity of accreditation**

4.1. Accreditation determined by a Manager shall be valid for a period of three years from the date of accreditation.

4.2. Accreditation shall be determined afresh each time an investor is onboarded by a Manager who is not of the same Group.

4.3. A certificate of accreditation issued by a recognised Accreditation Agency shall be valid for three years from the date of accreditation.

4.4. An investor who is an Accredited Investor at the time of onboarding into a scheme shall continue to be reckoned as an Accredited Investor for the remaining life of that scheme.

4.5. A certificate of accreditation issued before the date of applicability of this circular shall remain valid for its unexpired period of validity.

5. **Securities market exposure**

5.1. The minimum qualifying securities market exposure shall be INR 5 crore in the case of an individual, Hindu Undivided Family, family trust or sole proprietorship, and INR 20 crore in the case of a body corporate or a trust other than a family trust.

5.2. The following shall qualify as securities market exposure:

5.2.1. Securities held in dematerialised form;

5.2.2. Mutual fund investment held through mutual fund folios;

5.2.3. Unlisted securities held in dematerialised form;

5.2.4. Investment in the overseas securities market; and

5.2.5. Investments under the National Pension System.

5.3. For securities held in dematerialised form, the value reflected in the eCAS statement as of the statement date shall be used.

5.4. For unlisted securities and overseas securities market investments not valued in the eCAS statement, the applicant shall furnish a certificate from a practising Chartered Accountant. The certificate shall identify the nature of securities, valuation date, and value.

6. **Safeguards for Manager led accreditation**

6.1. Accountability: A Manager undertaking accreditation shall be responsible for ensuring compliance with the prescribed eligibility criteria and with the requirements of this circular.

6.2. Maintenance of records: A Manager shall maintain all records, supporting documents and verification evidence relied upon for the determining accredited status, for atleast five years from the date of accreditation or until five years after the investor ceases to be an investor in any scheme managed by the Manager, whichever is later. The records shall be made available for inspection as and when sought.

6.3. Audit: Periodic internal audit and compliance review of the accreditation process shall be carried out as part of any existing audit undertaken by the Manager.

6.4. Accreditation policy: Every Manager undertaking accreditation shall adopt an accreditation policy specifying:

6.4.1. conflict of interest controls, including separation of the accreditation function from the business development and distribution function;

6.4.2. an escalation and grievance redressal process for resolving investor concerns arising from the determination of accredited status; and

6.4.3. record retention infrastructure, covering inter alia data privacy and cybersecurity, so that the confidentiality of the information submitted by investors is protected.

6.5. The Manager shall document the accreditation decision, the eligibility criterion relied upon and the supporting verification in a manner that enables the decision to be independently reviewed.

7. Eligibility criteria and documents for verification

7.1. The Manager or Accreditation Agency, as applicable, shall verify that the applicant meets the eligibility criteria specified under Regulation 2(1)(ab) of the AIF Regulations, based on income, net worth or securities market exposure, using the documents specified in the table below:

Eligibility criterion	**Document to be furnished**
Income	Latest Income Tax Return; or a certificate from a practising Chartered Accountant certifying that the prescribed income threshold is met.
Net worth	Latest audited financial statements; or a net worth certificate from a practising Chartered Accountant, not older than six months;
Securities market exposure	An eCAS summary statement generated by a depository, not older than six months; or a certificate from a practising Chartered Accountant certifying that the prescribed securities market exposure threshold was met within the last six months.

8. Accreditation of Limited Liability Partnerships

8.1. A Limited Liability Partnership (LLP) set up under the Limited Liability Partnership Act, 2008, shall be recognised as an Accredited Investor where each partner independently satisfies the eligibility criteria for accreditation, applicable to that partner as on the date of determination.

8.2. Where a partner is itself a body corporate, including another LLP, a firm or a trust, that partner shall independently satisfy the eligibility criteria applicable to it.

9. **Persons Resident Outside India**

9.1. A Person Resident Outside India, as defined under the Foreign Exchange Management Act, 1999, shall be deemed to be an Accredited Investor and shall not be required to obtain a certificate of accreditation or undergo Manager led accreditation.

9.2. The Manager shall record the basis on which the investor has been identified as a Person Resident Outside India.

9.3. Deemed Accredited Investor status shall not dilute the obligations of an AIF and its Manager, as reporting entities under the Prevention of Money-laundering Act, 2002 and the rules framed thereunder, to conduct client due diligence, identify beneficial owners and comply with applicable requirements relating to source of funds.

10. **Applicability**

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

10.2. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulations 2 (1) (ab) and 36 of the AIF Regulations, to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market.

10.3. This circular is available on the SEBI website at www.sebi.gov.in under the categories “Legal → Circulars” and “Info for → Alternative Investment Funds”.

10.4. The 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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