

CIRCULAR

SEBI/HO/IMD/RAC/CIR/P/2025/ 0000000138

October 24, 2025

To

All Portfolio Managers

Association of Portfolio Managers in India (APMI)

Madam / Sir,

Sub: Transfer of portfolios of clients (PMS business) by Portfolio Managers

1. As an initiative towards ease of doing business and for the purpose of simplification, it has been decided to allow transfer of PMS business.
2. A Portfolio Manager shall transfer its PMS business only after obtaining prior approval from SEBI as per the following process:
3. **Transfer of PMS business from one portfolio manager to another, both holding portfolio manager registration and belonging to the same group:**
 - 3.1. Portfolio Managers shall have the option to transfer select Investment Approach(es) or complete PMS business to another Portfolio Manager within the same group, subject to the following conditions:
 - 3.1.1. If the entire PMS business is transferred, the certificate of PMS registration of transferor shall be surrendered within a period of 45 working days from the date of completion of transfer.
 - 3.1.2. In case of transfer of only select Investment Approach (es), the transferor may continue to hold certificate of PMS registration.

4. Transfer of PMS business from one portfolio manager to another portfolio manager not belonging to the same group:

4.1. A joint application by both the portfolio managers (transferor and transferee) shall be made to SEBI for approval of transfer of PMS business.

4.2. The transferor shall transfer complete PMS business. Transfer of select investment approach(es) of PMS business to transferee shall not be permitted.

4.3. The transferee shall fulfill all the regulatory requirements and once the transfer of PMS business is complete, the acts, deeds, pending actions/ litigations, other obligations against the transferor, if any, shall be the responsibility of the transferee. An undertaking in this regard has to be submitted by the transferee as per **Annexure-I**, along with the joint application.

4.4. The entire process of transfer shall be completed as expeditiously as possible but not later than two months from the date of approval. Until the transfer process is complete, the transferor shall continue to act as Portfolio Manager but shall not onboard any new client(s). At the end of two months or upon completion of all the formalities, whichever is earlier, the transferor shall surrender its registration certificate by following the surrender process. Format of undertaking to be furnished by the transferor in this regard is placed as **Annexure-II**. The undertaking shall accompany the joint application as mentioned in 4.1 above.

5. The provisions mentioned in this circular shall come into force with immediate effect.

6. 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 Regulation 43 of SEBI (Portfolio Managers) Regulations, 2020, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Vir Sahab Singh
General Manager
022-26449285

virsaahabs@sebi.gov.in

Undertaking to be submitted by the transferee

On the letter head of the applicant

We the directors / partners of XYZ Limited / LLP, a registered Portfolio Manager bearing Registration Number _____, having its registered office at Address, -----hereby confirm and undertake that we shall be liable for the acts, deeds, pending actions/ litigations, other obligations, against the _____(name of the portfolio manager transferring its business activity) effective from the date of regulatory approval and/or business handover.

Signed for and on behalf of Transferor PMS (to be signed by at least two directors)

Names of the Director / Partner (s)

DIN:

PAN:

Date:

Place:

Names of the Director / Partner (s)

DIN:

PAN:

Date:

Place:

Undertaking to be submitted by the Portfolio Manager intending to transfer the PMS

business

On the letter head of the applicant

We the directors / partners of XYZ Limited / LLP, a registered Portfolio Manager bearing Registration Number _____, having its registered office at Address-----, hereby confirm and undertake as follows:

1. Transfer of PMS Business

We have entered into a Business Transfer Agreement dated -----with Transferee Name, a SEBI registered Portfolio Manager, for the transfer of our PMS business, including all rights, obligations, and liabilities under the Portfolio Investment Management Agreements executed with our clients.

2. Assignment of Rights and Obligations

Upon completion of the transfer, all rights and obligations under the existing PMS agreements, including all assets, client mandates, and associated Power of Attorney (POA), stand assigned/transferred to Transferee Name, effective from the date of regulatory approval and/or business handover.

3. Client Notification and Consent

All clients of the PMS business have been informed of the transfer, and necessary client consents have been obtained wherever required.

4. Compliance Commitments

We confirm that the transfer agreement is being executed in accordance with applicable laws and in case of any deviation or breach we shall be responsible to ensure the compliances and indemnify the damages to the transferee, if any.

5. Surrender of Registration:

We undertake that upon completion of the transfer, our SEBI registration certificate as Portfolio Manager shall be surrendered after complying with all necessary regulatory requirements / processes.

Signed for and on behalf of Transferor PMS (to be signed by at least two directors)

Names of the Director / Partner (s)

DIN:

PAN:

Date:

Place:

Names of the Director / Partner (s)

DIN:

PAN:

Date:

Place:

Enclosures:

- Board resolution-approving transfer
- Copy of Business Transfer Agreement
- List of clients and assets under Management as on date
- Client communication
- FIT and Proper Person declaration (as per SEBI Intermediaries Regulations)