



SEBI Circular On

Relaxation in requirement of intimation of changes in the terms of Private Placement Memorandum of Alternative Investment Funds through Merchant Banker

Dated: 29th April 2024

Source - SEBI/HO/AFD/PoD/CIR/2024/028



▪ Background of the Circular

The Securities Exchange Board of India (SEBI) Issued a Circular on the Relaxation in requirement of intimation of changes in the terms of **Private Placement Memorandum of Alternative Investment Funds through Merchant Banker**

▪ Brief of the Circular

Based on the feedback received from the **market participants**, the aforesaid requirement was reviewed to identify changes in the terms of **PPM** which may not be required to be submitted through a merchant banker and may be filed directly with SEBI, thereby, facilitating ease of doing business and rationalizing cost of compliance for AIFs.

Accordingly, it has been decided that the changes in the terms of **PPM**, as mentioned in **Annexure A**, may not be required to be submitted through a merchant banker and may be filed directly with **SEBI**.

Large Value Fund for **Accredited Investors (LVFs)** shall be exempted from the requirement of intimating any changes in the terms of PPM through a merchant banker. LVFs may directly file any changes in the terms of PPM with SEBI, along with a duly signed and stamped undertaking by CEO of the Manager of the AIF (**or person holding equivalent role or position depending on the legal structure of Manager**) and Compliance Officer of Manager of the AIF, in a format as specified at **Annexure B**.

Note – To Read **Annexure A** - Terms of PPM for which changes are not required to be filed through Merchant Banker and may be filed directly with **SEBI**.

And

Annexure B - Intimating changes in the terms of **placement memorandum of (name of scheme), scheme of (name of AIF)** for FY 20__-__

Refer to the link (https://www.sebi.gov.in/legal/circulars/apr-2024/relaxation-in-requirement-of-intimation-of-changes-in-the-terms-of-private-placement-memorandum-of-alternative-investment-funds-through-merchant-banker_83091.html)

Impact of the Circular

- **Simplified Process:** A streamlined procedure for submitting changes to PPM terms directly to SEBI reduces bureaucratic hurdles and simplifies compliance for AIFs.
- **Cost Reduction:** By eliminating the need for merchant bankers in certain filings, AIFs can reduce compliance costs, freeing up resources for investment and growth.
- **Exemption for LVFs:** Large Value Funds (LVFs) catering to Accredited Investors now have a direct avenue to communicate changes in PPM terms to SEBI, tailored to their specific needs, enhancing operational efficiency.
- **CEO and Compliance Officer Involvement:** The requirement for a signed undertaking by the CEO and Compliance Officer ensures accountability and oversight, maintaining regulatory standards while facilitating direct filing.
- **Enhanced Market Participation:** Easing regulatory burdens fosters a more favorable environment for AIFs, encouraging increased participation and innovation in the market, ultimately benefiting investors and the economy.



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