



**CIRCULAR**

SEBI/HO/IMD/DF6/CIR/P/2020/99

June 12, 2020

To,

**All Alternative Investment Funds**

Dear Sir/ Madam,

**Sub: Clarifications with respect to Circular dated February 05, 2020 on 'Disclosure Standards for Alternative Investment Funds (AIFs)'**

1. SEBI has issued a Circular No. SEBI/HO/IMD/DF6/CIR/P/2020/24 ("Circular") dated February 05, 2020 on 'Disclosure Standards for Alternative Investment Funds (AIFs)'.
2. In this regard, it is clarified as under:
  - (i) Audit of compliance with terms of PPM as provided in Paragraph 5 of the Circular, shall be conducted at the end of each Financial Year and the findings of audit along with corrective steps, if any, shall be communicated to the Trustee or Board or Designated Partners of the AIF, Board of the Manager and SEBI, within 6 months from the end of the Financial Year.
  - (ii) The requirement of audit of compliance with terms of PPM shall not apply to AIFs which have not raised any funds from their investors. However, such AIFs shall submit a Certificate from a Chartered Accountant to the effect that no funds have been raised, within 6 months from the end of the Financial Year.
  - (iii) For the Financial Year 2019-20, the above requirements shall be fulfilled on or before December 31, 2020.
3. Paragraph 12 (i) of the Circular is amended as under:

"Any association of AIFs ("Association"), which in terms of membership, represents at least 33% of the number of AIFs, may notify one or more Benchmarking Agencies, with whom each AIF shall enter into an agreement for carrying out the benchmarking process."



**भारतीय प्रतिभूति और विनिमय बोर्ड**  
**Securities and Exchange Board of India**

4. In light of market events due to the COVID-19 pandemic, the timeline for making available the first industry benchmark and AIF level performance versus Benchmark Reports, is extended till October 01, 2020.
5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
6. The circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal framework - Circulars" and "Info for - Alternative Investment Funds".

Yours faithfully,

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