



All entities that deal with offshore funds must register under PMS regulations: SEBI



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The Securities Exchange Board of India gave direction to investment managers of alternative investment funds that they need to register as portfolio managers to provide management services to an offshore fund.

Ace Lansdowne Investments Services LLP has asked SEBI to clarify whether an entity already acting as the manager of AIF has the authority to provide services to the offshore funds or whether it is mandatory to get registered as a portfolio manager.

Ace Lansdowne was planning to act as a manager for an offshore fund. The fund is based out of Ireland, and in such cases, the fund will be utilised to invest in the domestic market via recognised stock exchanges.

After receiving the submission regarding the issue, Sebi stated, “an investment manager of Sebi-registered AIF can provide investment management services to the offshore fund in Ireland only by obtaining the certificate of registration as a portfolio manager under the PMS Regulations to act as an eligible fund manager”.

SEBI made it clear that no exemption is given to any entity that includes managers of AIFs. They must register under PMS (portfolio management service) rules if they plan to extend their services to any offshore funds.

The regulator has said PMS regulations don't provide any sort of exemptions. Therefore all the entities need to register and adhere to its provisions mandatorily.