

**CIRCULAR**

**SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/32**

**May 02, 2024**

**To**  
**All Portfolio Managers**  
**Association of Portfolio Managers in India (APMI)**

Madam/ Sir,

**Sub: Facilitating collective oversight of distributors for Portfolio Management Services (PMS) through APMI**

1. Regulation 23 (11) of SEBI (Portfolio Managers) Regulations, 2020, *inter-alia* states that the portfolio manager shall ensure that any person or entity involved in the distribution of its services is carrying out the distribution activities in compliance with the SEBI (Portfolio Managers) Regulations, 2020 and circulars issued thereunder from time to time.
2. Additionally, Portfolio Managers are required to ensure that distributors abide by the Code of Conduct as specified in **Annexure 2B** to the Master Circular dated March 20, 2023 for Portfolio Managers.
3. In order to simplify and ease compliances, a working group was constituted to review the present regulatory framework under SEBI (Portfolio Managers) Regulations, 2020 and recommend measures to promote ease of doing business. Based on the recommendations of the working group, a public consultation was carried out.
4. Pursuant to the above, in order to facilitate collective oversight of PMS distributors at the industry level, it has been decided that any person or entity involved in the distribution of portfolio management services shall obtain registration with APMI. Portfolio Managers shall ensure that any person or entity engaged in the distribution of its services has obtained registration with APMI, in accordance with the criteria laid down by APMI.
5. This circular shall come into effect from January 01, 2025. APMI shall issue the criteria for registration of distributors by July 01, 2024.

6. 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 Regulation 43 of SEBI (Portfolio Managers) Regulations, 2020, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
7. This circular is available at [www.sebi.gov.in](http://www.sebi.gov.in) under the link “Legal ->Circulars”.

Yours faithfully,

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