



CIRCULAR

F. No. IFSCA-IF-10PR/1/2023- Capital Markets/27012026

January 27, 2026

To,

All Fund Management Entities in International Financial Services Centres (IFSCs)

Dear Sir/Madam,

Subject: One-time window to extend the validity of the Placement Memorandum

1. Reference is drawn to Regulations 19(3) and 31(3) of the IFSCA (Fund Management) Regulations, 2025 ("FM Regulations"), which state that the placement memorandum (PPM) of a Venture Capital Scheme and Restricted Scheme, respectively, shall be valid for twelve (12) months from the date of communication that the PPM has been taken on record by the Authority.
2. Further, as per Regulation 35(2) of FM Regulations, for an open-ended Restricted Scheme, investment activities are permitted to be commenced upon raising at least USD 1 Million in funds, and thereafter such a scheme is required to achieve the minimum corpus of USD 3 Million within 12 months from the date of communication that the PPM has been taken on record by the Authority.
3. IFSCA has received representations from market participants requesting a higher degree of flexibility regarding the validity of PPMs, as the fundraising timelines are dependent on the market forces. Upon examination and pursuant to the approval of the Authority, various amendments to the FM Regulations are being notified (i.e., FM (Amendment) Regulations, 2026). Simultaneously, **a one-time window of 03 (three) months**, from the date of issuance of this Circular, is being offered for the Venture Capital Schemes and Restricted Schemes where the PPMs have expired or are expiring shortly, to further extend the validity of the PPMs in accordance with the procedure specified hereunder.

Extension of PPMs for schemes that have not commenced investments

4. Venture Capital Schemes and Restricted Schemes where the PPMs have expired on or before the notification of the proposed FM (Amendment) Regulations, 2026



or are set to expire within 30 (thirty) days from the notification of the aforesaid amendment regulations, and wherein the FME has not commenced investment activities, the validity of the PPM may be extended by the Authority under this window, subject to the following terms and conditions:

- a. The FME shall re-file the PPM of the scheme with the Authority within a period of 03 (three) months from the date of issuance of this Circular, specifying its intent of seeking extension of the validity of the PPM under the one-time window;
 - b. The FME shall not make any material changes in the PPM with respect to the key aspects of the scheme, including its name, investment objective, investment strategy, structure (open-ended / close-ended), and type (Venture Capital Scheme, Category I/II/III Restricted Scheme), etc.; and
 - c. Such filing shall be accompanied by a filing fee equal to 50% (fifty percent) of the fee applicable for filing a fresh scheme of that nature under the FM Regulations.
5. On receipt of request for extension of the PPM and upon satisfaction of the fulfilment of the conditions mentioned above, the Authority may take the re-filed PPM on record and communicate the same to the FME. The extension of validity of such PPM so granted under the window shall be for a further period of six (6) months from the date on which the Authority has communicated to the FME that the re-filed PPM has been taken on record.

Open-ended Restricted Schemes that have commenced investment activities

6. Open-ended Restricted Schemes that have, in accordance with Regulation 35(2), commenced investment activities upon raising USD 1 million in funds but are unable to achieve the minimum corpus of USD 3 million within the validity or extended validity of the PPM, and where such PPMs have expired on or before the notification of the proposed FM (Amendment) Regulations, 2026 or are set to expire within 30 (thirty) days from the notification of the aforesaid amendment regulations, may also seek extension under the one-time window, subject to the following terms and conditions:
- a. The FME shall submit a request to the Authority, specifying its intent of seeking extension of the validity of the PPM under the one-time window, within a period of 03 (three) months from the date of issuance of this Circular; and
 - b. Such request shall be accompanied by a fee equal to 50% (fifty percent) of the fee applicable for filing a fresh scheme of that nature under the FM Regulations.



7. On receipt of request for extension of the PPM and upon satisfaction of the fulfilment of the conditions mentioned above, the Authority may take the request on record and communicate the same to the FME. The extension of validity of such PPM so granted under the window shall be deemed to start from the date when the PPM of the scheme has expired or is set to expire.

Further extension(s) of the validity of PPM of the schemes

8. The schemes that avail of the opportunity to extend the validity of the PPM under the aforementioned one-time window of 03 (three) months may seek further extension(s) beyond the period of six (6) months in terms of the applicable provisions of the FM Regulations and shall be subject to, *inter-alia*, payment of fifty percent. (50%) of the applicable fee for filing of a fresh scheme, as may be prevalent at the time of such extension.
9. This Circular is issued in exercise of the powers conferred under Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019, read with Regulation 146 of the FM Regulations and shall come into force with immediate effect.
10. A copy of this Circular is available on the website of the International Financial Services Centres Authority at www.ifsca.gov.in.

Yours faithfully,

Sd/-

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