



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

DEPUTY GENERAL MANAGER
INVESTMENT MANAGEMENT DEPARTMENT
DIVISION OF COLLECTIVE INVESTMENT SCHEME

30194
IMD/ DoF-1/ IA/NG/OW/ /2014
October 20, 2014

Mr. Tushar Sethi
Safset Investment Advisory Pvt. Ltd.
FGP Centre, Commercial Union House,
3rd Floor, 9, Wallace Street,
Fort, Mumbai - 400 001

Sir,

Sub:- Request for informal guidance by way of interpretive letter under SEBI (Informal Guidance Scheme), 2003 in connection with SEBI (Investment Advisers) Regulations, 2013

1. This has reference to your letter dated July 08, 2014 seeking an interpretive letter/no action letter under the SEBI (Informal Guidance) Scheme, 2003.
2. In your letter under reference you have *inter alia* represented as follows:-
 - a) Safset Investment Advisory Pvt. Ltd ("Safset") seeks to provide art investment and accounting advisory services to high net-worth individuals seeking to invest in Art through its network of correspondents in the world's principal art centers.
 - b) It is stated in the business plan submitted by Safset that "For a fixed fee, SAFSET would provide investment advice to potential Clients who seek advice for investing in the art market. SAFSET shall enter into an Investment Advisory Agreement capturing the terms and conditions for its services." Further, it has been stated that "the receivables of SAFSET are collected from Clients for rendering investment advisory services. The advisory fee will be charged on a lump sum basis."
 - c) Based on the above, Safset has sought clarification on the following:
 - i. Whether providing investment advice to high net worth individuals in the field of art and artworks falls within the ambit of SEBI (Investment Advisers) Regulations, 2013 and as such requires registration under regulation 3 of the same.
 - ii. Whether art and artworks can be classified as "Investment Products" under Regulation 2(1) of SEBI (Investment Advisers) regulations, 2013.
 - iii. If not so, whether the company can commence its investment advisory activity without receiving registration certificate under Regulation 3 of SEBI (Investment Advisers) Regulations, 2013



अनुवर्ती:
Continuation :

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Our Comments

3. The submissions made in your letter have been considered and our view on the issues raised in your letter under reference is that the advice on art and artworks does not appear to be investment advice under SEBI (Investment Advisers) Regulations, 2013 as advice in art and art works would not qualify as advice w.r.t. 'investment product' as contemplated thereunder.
4. It may therefore not require registration under SEBI (Investment Advisers) Regulations, 2013.
5. This position is based on the representation made to the Division in your letters under reference. Different facts or conditions might require a different result. This letter does not express decision of the Board on the questions referred.
6. You may note that the above views are expressed only with respect to the clarification sought on SEBI (Investment Advisers) Regulations, 2013 and do not affect the applicability of any law and other SEBI Regulations, guidelines and circulars administered by SEBI or any other authority.

Yours faithfully,


Rajesh Kumar D