



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

**GENERAL MANAGER
INVESTMENT MANAGEMENT DEPARTMENT
DIVISION OF FUNDS-1**

IMD/ DoF-1/IA/ 20950 / 2015
July 27, 2015

Wealth Advisors (India) Private Limited

Lemuir House, Ground Floor,
10, G N Chetty Road,
T. Nagar,
Chennai: 600 017

Sir/ Madam,

Sub:- Request for interpretive letter under the SEBI (Informal Guidance) Scheme, 2003 by Wealth Advisors (India) Private Limited (WAPL).

1. This has reference to your letter dated May 19, 2015, seeking an interpretive letter under the SEBI (Informal Guidance) Scheme, 2003 in connection with applicability of SEBI (Research Analysts) Regulations, 2014 ("RA Regulations"):-
2. In your letter under reference you have *inter alia* represented as follows:-

- a. WAPL is a SEBI registered Portfolio Manager. WAPL is also a distributor of mutual funds to Non-PMS Clients. Further, WAPL is sub- broker with Emkay Global Financial Services Limited.
- b. Regulation 3(1) of RA Regulations states as under:
On and from the commencement of these regulations, no person shall act as a research analyst or research entity or hold itself out as a research analyst unless he has obtained a certificate of registration from the Board under these regulations:

Provided that any person acting as research analyst or research entity before the commencement of these regulations may continue to do so for a period of six months from such commencement or, if it has made an application for a certificate of registration under sub-regulation (2) within the said period of six months, till the disposal of such application:

Provided further that an investment adviser, credit rating agency, asset management company or fund manager, who issues research report or circulates/distributes research report to public or its director or employee who makes public appearance, shall not be required to seek registration under regulation 3, subject to compliance of Chapter III of these regulations.

अनुवर्ती :
Continuation :

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On the said basis, you have sought an interpretive letter under SEBI (Informal Guidance) Scheme, 2003 from SEBI stating that, since WAPL is registered with SEBI as a Portfolio Manager, WAPL will not be covered by the provisions of the RA Regulations and hence WAPL need not to register as a research analyst as per the RA Regulations.

3. Our Comments

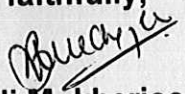
The submissions made in your letter has been considered and without necessarily agreeing with your analysis, our views on the issues raised in your letter under reference are as under:-

- a. In terms of proviso to regulation 3 of RA Regulations, *'an investment adviser, credit rating agency, asset management company or fund manager, who issues research report or circulates/distributes research report to public or its director or employee who makes public appearance, shall not be required to seek registration under regulation 3, subject to compliance of Chapter III of these regulations'*.
- b. Regulation 2(1)(g) of RA Regulations defines 'fund manager' as under:
"Fund manager" includes fund managers of a mutual fund or alternative investment fund or venture capital fund or portfolio manager'.
- c. Therefore, in terms of Regulation 3 r/w. Regulation 2(1)(g) of RA Regulations, portfolio managers registered with SEBI are not required to seek registration under RA Regulations.
- d. However, irrespective of registration, portfolio managers would be required to comply with Chapter III of RA Regulations where they issue research report or circulate/ distribute research report to public or their director or employee makes public appearance.

4. 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.

5. You may note that the above views are expressed only with respect to the clarification sought on SEBI (Research Analysts) Regulations, 2014 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,


Barnali Mukherjee