

SAFSET INVESTMENT ADVISORY PVT. LTD.

DATED 08.07.2014

To,
The Manager,
Investment Advisory Department
Securities and Exchange Board of India (SEBI)
SEBI Bhavan, Plot No.C4-A, G-Block,
Bandra Kurla Complex
Mumbai 400051

म. प्र. वि. बो. SEBI
सं/No 179052

09 JUL 2014



SEBI/IW/P/20140109/0000179052

Dear 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.

We introduce ourselves as SAFSET Investment Advisory Pvt. Ltd. (hereinafter referred to as "SAFSET" or "Company") who 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.

The context of this letter is with respect to certain clarification and confirmation that we seek on the scope of our services and the applicability of SEBI (Investment Advisers) Regulations, 2013.

Vide our letter to SEBI dated 05.05.14, we had applied to SEBI to get registered as an investment adviser. However, we were orally informed by SEBI that our services do not fall within the ambit of SEBI (Investment Advisers) Regulations, 2013. We were orally informed that investment advice, as defined in Reg 2(l) mentioned hereunder being "*investment advice*" means advice relating to investing in, purchasing, selling or otherwise dealing in securities or **investment products**, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning" does not include advice given for investment in artworks as art and art works are not investment products.

Under such circumstances, we request you to review our business plan attached herewith and we seek your clarification and confirmation of the following:

1. Whether providing investment advice to high net worth individuals in the field of art and artworks fall within the ambit of SEBI (Investment Advisers) Regulations, 2013 and as such require registration under Reg. 3 of the same.
2. Whether art and artworks can be classified as "Investment Products" under Reg. 2(l) of SEBI (Investment Advisers) Regulations, 2013.



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3. If not so, whether the Company can commence its investment advisory activity without receiving registration certificate under Reg. 3 of SEBI (Investment Advisers) Regulations, 2013.

As an abundant caution, we request you to review our business plan attached herewith and confirm that our activity does not fall within the scope of SEBI (Investment Advisers) Regulations, 2013 and hence consequently it will not require prior registration under the same.

As per guidelines, a demand draft for Rs.25,000/- bearing no. 165587 drawn on ICICI Bank, Fort Branch dated 08.07.2014 in favour of Securities and Exchange Board of India towards fees for Informal Guidance is annexed hereto.

We shall be obliged if we receive a confirmation at the earliest. In case of any further query or information, we shall be glad to provide the same or appear personally to explain the same as you may deem fit.

Thanking you,
Yours faithfully,
For SAFSET Investment Advisory Pvt. Ltd.

Tushar Sethi.
Director

Encl: Business Plan

Demand Draft