



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

CIR/IMD/DF/12/2013
August 07, 2013

To
All Alternative Investment Funds

Dear Sir / Madam,

Sub: Application for change in category of the Alternative Investment Fund

1. SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations") were notified on May 21, 2012.

Regulation 7(2) of AIF Regulations specifies as under:

"An Alternative Investment Fund which has been granted registration under a particular category cannot change its category subsequent to registration, except with the approval of the Board."

2. In this regard, it is specified as under:
 - 2.1 Only AIFs who have not made any investments under the category in which they were registered earlier shall be allowed to make application for change in category.
 - 2.2 Any AIF proposing to change its category shall make an application to SEBI for the same along with application fees of Rs. 1 lakh. The application shall include the updated Form A (*Refer First Schedule to the AIF Regulations*), other updated supporting documents, if any and rationale for the proposed change. Registration fees shall not apply for such applications.
 - 2.3 If the AIF has received commitments/ raised funds prior to application for change in category, the AIF shall be required to send letters/emails to all its investors providing them the option to withdraw their commitments/ funds raised without any penalties/charges. Any fees collected from investors seeking to withdraw commitments/ funds shall be returned to them. Partial withdrawal may be allowed subject to compliance with the minimum investment amount required under the AIF Regulations.
 - 2.4 The AIF shall not make any investments other than in liquid funds/ banks deposits until approval for change in category is granted by SEBI.

- 2.5 On approval of the request from SEBI, the AIF shall send a copy of the revised placement memorandum and other relevant information to all its investors.
3. This Circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
 4. This Circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Alternative Investment Funds”.

Yours faithfully,

Barnali Mukherjee
General Manager
Investment Management Department
Tel No.022-2644 9660
Email id - barnalim@sebi.gov.in