

Address by Shri Tuhin Kanta Pandey, Chairman, SEBI
ARIA Aspire 2026
The Regulator's Perspective - The Evolving Agenda for Investment Advisers
March 16, 2026

Ms. Renu Maheshwari, Chairperson, Mr. Amit Kukreja, Vice-Chairperson, office bearers of ARIA, members of the investment advisory ecosystem, colleagues. Good morning!

It is a pleasure to be here at Aspire 2026, organized by ARIA. The theme of this event - unbiased fiduciary advice for every Indian - is both timely and important.

India has made major progress in financial inclusion. More people today have access to bank accounts, digital payments, and investment avenues than ever before. But access alone is not enough.

The next stage of India's financial journey must be financial empowerment, which requires **trustworthy advice**. Advice that is unbiased, transparent, and aligned to the investor's long-term interest.

Today, I will share a few thoughts on the evolving agenda for investment advisers from a regulatory perspective.

Growth in the IA Ecosystem

The investment advisory ecosystem in India is at an important stage of transition. Today, there are around 1,000 registered investment advisers - 470 individuals and 530 non-individuals.

While the number of registered IAs has declined in recent years, the shift towards non-individual entities points to a more institutional ecosystem. This transition is important because as our markets expand, investment advisory can no longer remain at the margins of the market.

Key Challenges

At the same time, the environment in which advisers operate is becoming more complex.

It is a matter of concern that the number of registered investment advisers has declined since 2021. As India's investor base expands rapidly, our market needs more regulated advisers. Otherwise, the gap will be filled by unregulated voices - like influencers - who present opinion as expertise and speculation as strategy.

SEBI's Investor Survey shows that nearly 62% of prospective investors are influenced by influencers. This is undesirable. It distorts investor behavior, weakens discipline, and erodes trust.

The issue is not only regulatory - it is also cultural. Investors tend to gravitate towards “free” recommendations as the habit of paying for professional financial advice is still evolving in India.

The challenge is clear - make the registered advisory model viable, scalable, and attractive for qualified professionals.

Artificial Intelligence is beginning to reshape advisory services across the world. It can process large volumes of data, support risk profiling, generate standardized recommendations, and answer routine questions. For standardized services, it can deliver speed and consistency, at low cost.

The impact of AI will be felt most in parts of advisory that are repetitive and template-driven. That reality must be recognized. But advice is not only about processing information - it is also about judgment, context, and trust.

SEBI’s Approach

SEBI’s regulatory approach has been clear. Where investor protection requires firmness, we will be firm. Where compliance can be simplified without weakening safeguards, we will simplify.

Several steps have been taken to bring more qualified professionals into the regulatory fold. Eligibility and documentation requirements have been relaxed. Transition from individual to non-individual form has been made easier. It has also been made easier for IAs to meet the deposit requirements.

The registration process itself has been made easy through simplified documentation and streamlined verification. Outreach is also being undertaken with NISM and BSE.

Registered advisers have been given greater flexibility in communicating certified past performance data to clients on a one-to-one basis. With operationalization of PaRRVA¹, this process will become more robust. Advisers can also collect advance fees with client consent and charge fees for providing a second opinion.

On the governance side, several important steps have been taken.

Registered entities are required to disclose the extent of use of AI tools in the advisory process. Where execution or implementation services are provided through telephone calls, client consent must be properly recorded.

Most Important Terms and Conditions have been mandated for disclosure to clients and for inclusion in advisory agreements.

¹ Past Risk and Return Verification Agency

Regulated entities and their agents have been barred from associating with unregistered persons who make unverified claims or unauthorized advice. This aims to address the issue of influencers and unauthorized advisory activity.

Expectations from Investment Advisers

Let me now come to what SEBI expects from investment advisers.

First, remain true to your fiduciary role. That is the heart of this profession. Your value lies in unbiased advice and your duty is to act in the investor's best interests. That trust must never be diluted.

Second, we expect advisers to help build a culture of **Responsible Investing**. India needs better-informed investors. Many investors still enter the market with limited understanding of risk. Many are influenced by peers, social media, and the lure of quick gains.

Your role is to not only advise. It is also to shape investor behavior. You must help investors ask the right questions - ***What is my goal? What is my time horizon? What risk can I truly bear? Am I investing, or merely speculating?***

Good advice does more than guide money. It guides judgment.

Third, advisers must actively spread awareness against fraud and cyber risk. Encourage clients to use tools such as Valid UPI and SEBI Check before making any payments in the securities markets. They should download market-related applications only through verified links available on exchange websites. And they should remain alert to entities impersonating SEBI-registered intermediaries.

Fourth, advisers must maintain high standards of governance and transparency in their daily operations. Our supervision continues to show avoidable gaps in client disclosures and regulatory reporting. Compliance should not be seen as a burden, but as a mark of professional credibility.

ARIA also has an important role. It must strengthen professionalism, promote knowledge sharing, and reinforce the core message that advice must remain unbiased, investor-focused, and fiduciary in spirit. I commend the work done in preparing the guidelines and standards on investment advisory, which will serve as a valuable reference for practitioners.

Way Ahead

The way ahead must make the ecosystem both more trusted and accessible.

A Working Group has been set up to review the extant regulatory framework of MF Distributors and harmonize overlap, if any, between MFDs and IAs.

A common advertisement code for all intermediaries is being prepared. This should reduce operational challenges and improve consistency.

A digital platform - SEBI SETU - is being developed, to provide simple and end-to-end regulatory guidance from registration to ongoing compliance for IAs.

A standardized light-touch penalty structure for IAs is being worked out. This should promote compliance while ensuring transparency and fairness.

A simplified NISM module for persons associated with investment advice, who are engaged in sales and other non-core functions, is under development.

SEBI will continue outreach to encourage more qualified professionals to enter the registered advisory space. ARIA must complement that effort.

But the real future of the profession will depend on how you respond to change.

Technology will continue to improve. Investor expectations will continue to rise. Markets will become more data-rich, more dynamic, and more demanding.

Advisers who combine technology with trust, knowledge with judgment, and efficiency with empathy will remain highly relevant. In fact, they may become more valuable than ever.

Embrace technology, but do not surrender judgment. In a world full of information, judgment becomes more valuable. In a world full of noise, trust becomes more valuable. And in a world of increasing automation, integrity becomes more valuable.

Conclusion

India's capital markets are growing in scale, depth, and participation. As we move towards Viksit Bharat, the value of sound financial advice will only grow. It can move investors from impulse to discipline, and help citizens participate in India's growth story with confidence and clarity.

SEBI will continue to support the healthy development of the investment advisory ecosystem. We will continue to promote ease of doing business, but remain equally committed to investor protection, accountability, and trust.

Thank you. Jai Hind!