



STRATAGE UPDATES

RBI Circular: Contribution by Indian Sponsors to AIFs set up in overseas jurisdiction is ODI

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SEBI Circular: Procedure to seek SEBI approval for change in control of Portfolio Managers

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Contribution by Indian Sponsors to AIFs set up in overseas jurisdiction is ODI

RBI vide circular dated May 12, 2021 ([available here](#)) has notified that:

- Any sponsor contribution from a sponsor *Indian Party* to an AIF set up in an *overseas jurisdiction*, including International Financial Services Centres (IFSCs) in India (set up as per the laws of host jurisdiction) would be treated as Overseas Direct Investment (**ODI**) subject to the satisfaction of conditions in relation to investment or financial commitment in an entity engaged in the financial services sector under the ODI Regulations.

Approval of SEBI in case of change in control of Portfolio Managers

SEBI had revised the SEBI (Portfolio Managers) Regulations, 2020 on April 26, 2021 ([available here](#)), wherein, a portfolio manager is now required to obtain the prior approval of SEBI in case of *change in control*, in the following manner:

- Obtain prior approval of SEBI by making an online application, which is valid for 6 months thereof.
- Inform all the existing investors/ clients about the proposed change in control, to enable them to decide regarding their continuance with the changed management.
- Make a fresh application for registration with SEBI, within 6 months from the date of prior approval.

SEBI has made the aforementioned changes vide circular dated May 12, 2021 ([available here](#)).