

STRATAGE UPDATES

Recognition of BASL for administration and supervision of Investment Advisers

This Update is meant for general information and shall not be deemed to be a legal advice or opinion. This Update is neither intended to be an advertisement or solicitation.

Communications: Contact@stratage.in

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SEBI had decided to delegate administration and supervision of Investment Advisers (“**IAs**”) to a body corporate called Investment Adviser Administration and Supervisory Body (“**IAASB**”) under the provisions of SEBI (Investment Advisers) Regulations, 2013 (“**IA Regulations**”).

BSE Administration & Supervision Limited (“**BASL**”), a wholly owned subsidiary of BSE Limited has been recognized as the IAASB for a period of **3 years from June 1, 2021**.

Some of the key highlights of the framework issued by SEBI is set out hereunder:

- **Compliance by Existing IAs:** All existing SEBI registered IAs would be required to seek membership of BASL within 3 months of recognition of IAASB of SEBI. Any subsequent payment of membership fees to be made as specified by IAASB.
- **New IAs:** New applicants would be required to seek membership of BASL before applying for registration to SEBI.
- **Fees:** No change in the amount of fees as that specified in IA Regulations, as applicable till March 31, 2021. The total fees payable by IAs would be divided into fees payable to SEBI plus fees payable to BASL.

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- **SOP and FAQs:** The Standard Operation Procedure for obtaining BASL's membership is [available here](#) and the frequently asked questions on the BASL's membership and other information is [available here](#).
- **Responsibilities of IAASB:** (A) Supervision of onsite and offsite IAs, (B) grievance redressal, administrative actions such as issuing warnings, (C) referring to SEBI for enforcement, monitoring of IAs and collecting periodical reports of IAs, (D) submitting periodical reports to SEBI and (E) maintaining a database of IAs.
- **Board of IAASB:** The board of IAASB is required to be chaired by Public Interest Director and comprise of a director, at all times, who will bring an investors perspective.
- **Powers of SEBI:** SEBI would continue to concurrently administer and supervise all registered IAs and IAASB which would be subject to periodic inspection by SEBI.
- **Reporting:** All SEBI registered IAs are required to submit periodic reports to IAASB in such manner as may be specified by IAASB.

The aforementioned changes were notified vide circular dated June 18, 2021 ([available here](#)).