

Dematerialisation of Units of AIF

SEBI has released the conditions for issuance of units of Alternative Investment Funds (“**AIF**”) in dematerialised form, vide a circular dated June 21, 2023 ([available here](#)):

- Schemes of AIFs are required to *dematerialise all the units issued by them*, within the following timeline:
 - *Schemes with corpus more than or equal to INR 500 Crore*: Latest by October 31, 2023; and
 - *Schemes with corpus less than INR 500 Crore*: Latest by April 30, 2024.

- Schemes of AIFs are required to *issue units only in dematerialised form*, with effect from the following dates:
 - *Schemes with corpus more than or equal to INR 500 Crore*: November 1, 2023; and
 - *Schemes with corpus less than INR 500 Crore*: May 1, 2024.

- The *terms of transfer* of units of AIF held by an investor would continue to be governed by the PPM, agreements executed between the AIF and the investor, and other fund documents.

- Schemes of AIFs whose tenure is ending on or before *April 30, 2024* are not required to comply with the aforementioned.

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