



KRUTI GOGRI & CO.
COMPANY SECRETARIES

PORTFOLIO MANAGERS

**BASIC REQUIREMENTS FOR
MAKING AN APPLICATION TO SEBI
FOR REGISTRATION**



Are you looking to apply to SEBI for a Portfolio Manager's license?

Here is a list of the basic checks you need to do before you make the application.

#1 – Formation of a company / LLP: SEBI PMS license is only given to a body corporate i.e. an LLP or a company. An individual or a partnership firm cannot get the PMS license.

#2 – Clause for business activity: You need to ensure that you have a clause in the Memorandum of Association of your company or the partnership agreement of LLP specifying that the entity intends to do business as a portfolio manager.

#3 – Principal Officer (PO): The PO needs to fulfil the qualification, experience and certification requirements as follows:

- a professional qualification in finance, law, accountancy or business management from a university or an institution recognized by the Central Government or any State Government or a foreign university OR [completed Post Graduate Program in Securities Market offered by NISM](#);

and

- an experience of at least five years in activities related to the securities market including in a portfolio manager, stock broker or as a fund manager (out of which at least 2 years of relevant experience should be in portfolio management or investment advisory services or in the areas related to fund management);

and

- [NISM – Series XXI -B – Portfolio Managers Certification](#)



#4 – Appointment of one more person: Apart from the PO, you need to have one more employee who fulfils the following requirements:

- A graduation degree from a university or an institution recognized by the Central Government or any State Government or a foreign university
and
- At least two years of experience in activities related to portfolio management or stock broking or investment adviser or fund manager.

#5 – Compliance Officer: Apart from the PO and the employee, you need to appoint a compliance officer who will be responsible for the compliance of requirements of the regulations. There are no specific qualification requirements for the compliance officer.

#6 – Net worth: The net worth of the entity should be **at least Rs 5 crores**.

Note that the net worth should be over and above the net worth required for any other SEBI license.

#7 – Outsourcing activities: Before making the application, make sure you identify and have an in-principle agreement with the broker(s), the custodian and the bankers.

Still have queries and want to understand how regulations are applicable in your specific context?

[Book a phone consultation now!](#)