



Alternative Investment Funds

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



Are you looking to apply to SEBI for an Alternative Investment Funds (AIF) license?

Here are the basic details you need to know before you make the application.

#1 – The categories of AIF license

Category I	Category II	Category III
They invest in start-ups or early stage/ socials ventures or SMEs or infrastructure or other sectors or areas which the government or the regulators consider as socially or economically desirable.	AIFS that do not fall in Category I and III.	They employ diverse or complex trading strategies and may employ leverage including through investment in listed or unlisted derivatives.
Eg: VCs, infrastructure funds, angel funds, etc.	Real estate funds, private equity (PE) funds, funds for distressed assets, etc.	Hedge funds, PIPE (Private Investment in Public Equity) funds, etc.

#2 – AIF Structure

- Fund – to be either a Trust or a Company / LLP
- Sponsor - who establishes the fund
- Manager - who manages the investments
- Service Providers – Custodians, Bankers, Auditors, etc.
- Investors – who contribute capital to the fund

#3 – Personnel details –

a) The entity needs appoint **at least one Key Managerial Personnel** (Fund Manager) with

- **Qualification requirements:** Professional qualification in finance, accountancy, business management, commerce, economics, capital market or banking from a university or an institution recognized by the Central Government or any State Government or a foreign university

OR

a CFA charter from the CFA institute or any other qualification as may be specified by SEBI

- **Certification requirements –**

The Fund Manager needs to have the following certifications:

For AIF Category I & II – [NISM Series XIX D](#) or [NISM Series XIX C](#)

For AIF Category III – [NISM Series XIX E](#) or NISM Series XIX C



b) The entity has to appoint a **Compliance Officer**, separate from the fund manager. The compliance officer has to complete [NISM Series III – C certification](#).

#3 – Scheme Details

Particulars	All AIFs	Social Impact Fund
Corpus of each scheme	At least Rs. 20 crores	At least Rs. 5 crores
Investment Value from each investor	At least Rs. 1 crore. In case of investors being employees / directors of AIF or Manager, the amount is at least Rs. 25 lakhs	At least Rs. 2 lakhs

#4 - Interest of sponsor / manager

The sponsor / manager needs to have continuing interest in the fund as follows:

Category I	Category II	Category III
Not less than 2.5% of the corpus or Rs. 5 crores, whichever is lesser	Not less than 2.5% of the corpus or Rs. 5 crores, whichever is lesser	Not less than 5% of the corpus or Rs. 10 crores, whichever is lesser

#5 – SEBI Fees

Fees - INR (excl. of GST)	Category I	Category II	Category III
Application Processing Fees	1,00,000	1,00,000	1,00,000
Registration Fees other than Angel Funds	5,00,000	10,00,000	15,00,000
Additional Scheme Fees (per scheme)	1,00,000	1,00,000	1,00,000

*Amounts are exclusive of applicable tax

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

[Book a phone consultation now!](#)