



GUIDELINES ON ASCERTAINING KMP ELIGIBILITY IN ACCORDANCE WITH REGULATION 7 OF THE IFSCA (FUND MANAGEMENT) REGULATIONS, 2025 (“FM REGULATIONS”).

Following the introduction of the new Fund Management Regulations, there has been a number of industry queries regarding the eligibility criteria for Principal Officers (POs) and Compliance Officers (COs) for Fund Management Entities (FMEs).

Accordingly, based on the CVs received and the nature of the enquiries made by FMEs, it has been decided to issue a brief set of ‘Guidelines for Ascertaining KMP Eligibility’ under Regulation 7 of the IFSCA (Fund Management) Regulations, 2025. These guidelines are being placed in the public domain for the benefit and guidance of FMEs.

The guidelines are intended to provide clarity on the eligibility of Key Managerial Personnel (KMPs) and to assist FMEs in making informed hiring decisions. This initiative also aims to enhance transparency and support FMEs through a consistent framework.

Regulation 7(5) of the FM Regulations reads as follows:

(5) The applicant shall ensure that the aforementioned principal officer as specified under sub-regulation (1) and other KMPs as specified under sub-regulations (2), (3) and (4), shall be based out of IFSC and meet the following educational qualification and experience requirements:

(a) A professional qualification or post-graduate degree or post graduate diploma (minimum one year in duration) in finance, law, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognised by the Central Government or any State Government or a recognised foreign university or institution or association or a CFA or a FRM from Global Association of Risk Professionals or any other relevant educational qualifications as may be specified by the Authority:

Provided that if the principal officer, specified under sub-regulation (1), has a work experience of at least 15 (fifteen) years in the activities related to fund management, including portfolio management, investment advisory or similar activities, the minimum educational qualification required for such person shall be a graduate degree in any field:

(b) In addition to the qualifications mentioned under clause (a), an experience of at least five (5) years in related activities in the securities market or financial products including in a portfolio manager, fund manager, investment advisor, broker dealer, investment banker, wealth manager, research analyst, credit rating agency, market infrastructure institution, financial sector regulator or consultancy experience in areas related to fund management, such as deal due diligence, transaction advisory or similar activities:

Provided that the consultancy experience in areas related to fund management, such as deal due diligence, transaction advisory, etc. shall be considered for a maximum period of 2 years and experience in other areas as mentioned in sub-regulation (b) shall be required for at least 3 years:

Provided further that for the KMP referred under sub-regulation (2), the experience mentioned in clause (b) shall be required for a minimum period of 3 (three) years, if such KMP possesses a professional qualification

and has experience in compliance or risk management in a listed company or an entity regulated by a financial sector regulator.

Explanation. – For the purposes of this regulation, the professional qualification shall include membership of Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Institute of Cost Accountants of India or any institution equivalent thereto in a foreign jurisdiction, and for KMP referred under sub-regulation (2) it shall also include Bachelor of Laws (LLB) from a university or an institution recognised by the Central Government or any State Government or a recognised foreign university or institution or association.

1. Calculation of experience for the purpose of Regulation 7(5)(b) of the IFSCA FM Regulations:

Calculation of experience:

Any intermediary that falls in the following categories may be considered for the purpose of calculating experience – *any activity related to the securities market or financial products*, not necessarily relating to fund management:

Activity	Regulated / Unregulated	Financial Regulator / Regulation	Regulated by IFSCA (Yes/No)
Portfolio Manager	Regulated	SEBI SEBI (Portfolio Managers) Regulations, 2020	Yes IFSCA (Fund management regulations), 2025
Fund Manager (e.g., AIFs, Mutual Funds)	Regulated	SEBI - SEBI (Alternative Investment Funds) Regulations, 2012 - The fund manager of an AIF is considered as a regulated entity in terms of the SEBI (Alternative Investment Funds) Regulations, 2012. - SEBI (Mutual Funds) Regulations 1996	Yes IFSCA (Fund management regulations), 2025
Investment Advisor	Unregulated / Regulated	SEBI - SEBI (Investment Advisers) Regulations, 2013 - Unregulated - Any person who provides investment advice exclusively to clients based out of India are exempt to take registration under SEBI (Investment Advisers) Regulations, 2013	Yes IFSCA (CMI) regulations, 2025
Broker Dealer	Regulated	SEBI SEBI (Stockbrokers) Regulations 1992	Yes IFSCA (CMI) Regulations, 2025
Investment Banker	Regulated	Regulated by SEBI under SEBI Merchant Bankers Regulations, 1992	Yes IFSCA (CMI) Regulations, 2025

Wealth Manager	Regulated	Regulated by SEBI if wealth management activities include activities which also fall under the scope of Investment Advisor or Portfolio Management), otherwise unregulated	Yes
Research Analyst	Regulated	SEBI • SEBI (Research Analysts) Regulations, 2014	Yes IFSCA (CMI) Regulations, 2025
Credit Rating Agency	Regulated	SEBI • SEBI (Credit Rating Agencies) Regulations 1999	Yes IFSCA (CMI) Regulations, 2025
Market Infrastructure Institution (MII)	Regulated	SEBI ➤ Stock Exchange, Clearing Corporations, Depositories, KRAs regulated under respective regulations.	Yes IFSCA (Market Infrastructure Institutions) Regulations, 2021, as amended up to November 01, 2024. IFSCA KRA Regulations, 2025
REITs/InVITs	Regulated	SEBI SEBI (REIT Regulations, 2016 SEBI (InVIT) Regulations, 2016	Yes
Debenture Trustees	Regulates	SEBI SEBI (Debenture Trustee) Regulations, 1994	Yes IFSCA (CMI) Regulations, 2025
Any entity regulated by a financial sector regulator	Regulated	- Listed entities regulated by SEBI and other intermediaries not mentioned in specificity above, like ESG Rating Agencies - Any entity including a bank – ➤ co-operative banks, ➤ regional rural banks, ➤ small finance banks, ➤ Payment Banks regulated by RBI ➤ NBFCs or PSPs regulated by RBI - Any entity regulated by IRDA - Any entity regulated by PFRDA	Appropriate laws enacted by respective regulators
Consultancy – Deal Due Diligence / Advisory	Unregulated / Regulated	Need not be regulated (unless the activities are being undertaken as a part of a registered intermediary) - To be considered for a period of two years	No
Regulatory	-	Experience with SEBI, RBI, IRDA, PFRDA or foreign regulator or where	

		the stock Exchange is a regulator, then the stock exchange	
--	--	---	--

Note: If the KMP has experience in any of the intermediaries / entities mentioned in the table above in any foreign country, the same shall also be considered for calculating experience.

2. Other points to note:

- a. Employment with any intermediary / regulator mentioned in the table above will be considered (whether employed as an employee or in a contractual capacity).

Note: Individuals working in IT/Accounts/Training and Development/Audit etc. (non-core areas) in the intermediary / regulator may not be considered as relevant working experience.

- b. Individuals outsourced by Funds / Fund Managers from consultancy firms, in roles related to fund management may be considered, provided documentation supports the depth and relevance of their engagement.
- c. Individuals engaged in managing corporate treasury funds, or Family Offices not registered with any Financial Sector Regulator or similar activities may be considered.
- d. Individuals engaged in trading/ managing their own funds and not registered with any financial sector regulator will not be considered.
- e. Experience of individuals working with BPOs/KPOs or outsourcing firms would be considered as consulting firm experience which would cumulatively be subject to a maximum of 2 years as provided under the FM Regulations.
- f. For CO eligibility under 7(5)(b) that considers experience in compliance or risk management in a listed company or an entity regulated by a financial sector, only the experience related to securities market / financial regulatory compliance will be considered.

E.g.: Individuals with experience limited to internal compliance or non-financial regulatory compliance [Example- Food & Drug Administration (FDA)] may not be considered.

- 3. It is advisable to appoint the proposed KMPs only after receiving confirmation from the Authority regarding the candidate's eligibility.**
- 4. In the event the Authority communicates that a KMP does not satisfy the eligibility requirements, any subsequent application for the said position shall be submitted along with the prescribed KMP application fee.**