

Be a Registered Investment Adviser (RIA)

Since the notification of the SEBI (Investment Advisers) Regulations, 2013 (IA regulations) in India with effect from April 2013, the IFA industry is expected to gather momentum, gain market share and recognition. Although the IA regulations are a recent phenomenon in India, it has already been implemented by the regulators in several countries such as the US, UK and Singapore.

The following table provides an overview of the various types of entities that you, as a prospective Investment Adviser, may want to consider and some of the characteristics of each of them. The below information is merely indicative of the compliance and management requirements of each entity. We suggest that you make your choice of business entity after due consultation with your legal / tax / compliance consultant since these professionals are better-placed to help you make the right choice of business entity as well as highlight any underlying risks.

Particulars	Sole Proprietor / HUF	Partnership	Limited Liability Partnership (LLP)	Private limited company	Public limited company
Filing requirements	None	None	Yes	Yes	Yes
Structural governing document	None , deed of declaration	Partnership deed	Partnership deed	Memorandum & Articles of Association (MOA / AOA)	Memorandum & Articles of Association (MOA / AOA)
Duration	Dissolved by death of proprietor / Karta	Dissolved by death of partners	Perpetual unless terminated	Perpetual	Perpetual
Limitation of liability	Unlimited personal liability	Unlimited personal liability	Limited	Limited	Limited
Capital Contribution	Own/ family members	Partners	Partners	Contribution from MOA subscribers / other shareholders (excluding general public)	Contribution from MOA subscribers / other shareholders
Management	Full control of all management and operations	Every partner has an equal say, unless specified otherwise	Managing partner may exercise , unless specified otherwise	Governed by board of directors	Governed by board of directors
Transferability of interest	No	No	No	Yes, subject to conditions.	Yes, subject to conditions.



Formalities	None	None	Compliance with LLP Act, 2008 and other applicable laws	Compliance with Companies Act, 2013 and other applicable laws	
Compliance Costs	Minimum	Minimum	Limited	High	High

We offer our expertise and experience to guide you through the most critical task of qualifying for a full Investment Adviser's (IA) registration. We provide a range of services to help support independent professionals like you who have made the decision to become a registered IA, thus offering a comprehensive experience to ensure a smooth beginning.

iFAST shall engage with a designated person appointed by you to gather sufficient information about you and your key personnel; to develop a business plan including transition plan if you have an existing business; and all other relevant documentations as a basis for you to submit your application to obtain an IA's registration in India.

The services that we provide include: -

- ✓ Providing assistance and training in obtaining NISM Certification examination conducted by National Institute of Securities Market (NISM)
- ✓ Providing assistance in obtaining AMFI Registration Number (ARN) from AMFI
- ✓ Providing assistance in obtaining Employee Unique Identification number (EUIIN) from AMFI for your employees engaged in sales / marketing / client interaction for mutual funds
- ✓ Providing assistance with application to SEBI for IA registration
- ✓ Assisting in gathering of relevant and supporting documents for you to submit your application to AMFI / SEBI
- ✓ Assisting in development of a compliance and competency manual
- ✓ Assisting in the designing of forms
- ✓ Preparing and maintaining client risk profile and other client-related records

Our responsibility for the provision of the services shall be strictly limited to those set above and that we are in no way endorsing or approving the registration application or guaranteeing or warranting in any way the merits of your registration application or the approval of your registration application by SEBI / AMFI. The success in obtaining approval of your registration will be solely based on the merits of your application and all your key personnel having satisfied the prescribed eligibility criteria.

iFAST's internal compliance expertise can provide you with the framework and experience you need to keep you abreast of the latest compliance requirements.

We combine our professional expertise with leading edge technology to provide a comprehensive solution to your compliance needs thereby reducing cost of regulatory compliance and risks of regulatory failure and promoting best practices and a compliance culture within your business

Eligibility criteria

You need to fulfill the following criteria prescribed by SEBI for seeking registration as an investment adviser under the SEBI (Investment Advisers) Regulations, 2013, as under:-

✓ **Minimum qualification for Individuals**

- A professional qualification or post-graduate degree or post graduate diploma in finance, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognized by the Central Government or any State Government or a recognized foreign university or institution or association; **OR**
- A graduate in any discipline with an experience of at least five years in activities relating to advice in financial products or securities or fund or asset or portfolio management.

✓ **Additional qualifications for individuals / partners / authorized representatives**

Certification on financial planning or fund or asset or portfolio management or investment advisory services:

- from NISM; or
- from any other organization or institution including Financial Planning Standards Board India or any recognized stock exchange in India provided that such certification is accredited by NISM

Currently, NISM has notified its new module **NISM-Series X-A & X-B Investment Adviser (Level 1) & (Level 2) Certification Examinations** for a person seeking registration as an Investment Adviser with SEBI. This certification aims to enhance the quality of investment advisory and related services in the financial services industry. A person would need to clear both these levels for being eligible to apply for IA registration.

NISM-Series X-A Investment Adviser (Level 1)

Examination Objectives

On successful completion of the examination, the candidate should:

- Know the basics of investment advisory, steps in the advisory process, making and implementation of financial plan.
- Understand how to evaluate different products, their suitability and how the recommendation of the same can impact investment risks, returns and strategies in a personal finance environment for investors and prospective investors in the market.
- Get oriented to the Income tax, Wealth tax and legalities of Estate planning in personal finance, and regulatory aspects underlying advisory.
- Get acquainted with financial planning as an approach to investing, insurance, retirement planning and an aid for advisers to develop long term relationships with their clients.

Assessment Structure

The examination consists of 100 questions of 1 mark each and should be completed in 2 hours. The passing score for the examination is 60%. There shall be negative marking of 25% of the marks assigned to a question for each wrong answer.

Test Details

Name of Module: NISM-Series-X-A: Investment Adviser (Level 1) Certification Examination

Fees (Rs.)	Test Duration (in minutes)	No. of Questions	Maximum Marks	Pass Marks* (%)	Certificate Validity# (in years)
1500+	120	100	100	60	3

+ Payment gateway charges extra.

*: Negative marking - 25% of the marks assigned to the question

Passing Certificate will be issued only to those candidates who have furnished/ updated their Income Tax Permanent Account Number (PAN) in their registration details.

[Click here](#) for the test objectives and curriculum.

NISM-Series X-B Investment Adviser (Level 2)

NISM-Series-X-B: Investment Adviser (Level 2) Certification Examination along with the NISM-Series-X-A: Investment Adviser (Level 1) Certification Examination seeks to create a common minimum knowledge benchmark for all associated persons registered as an investment adviser and partners and representatives of investment advisers under SEBI (Investment Advisers) Regulations, 2013 and offering investment advisory services.

An associated person shall be required to pass both the levels (i.e. NISM-Series-X-A: Investment Adviser (Level 1) Certification Examination and NISM-Series-X-B: Investment Adviser (Level 2) Certification Examination) to fulfill the requirements under Regulation 7(2) of the SEBI (Investment Advisers) Regulations, 2013.

The certification aims to enhance the quality of investment advisory and related services in the financial services industry.

Examination Objectives

On successful completion of the examination, the candidate should:

- ✓ Know the comprehensive financial planning in the context of households to apply the planning elements learnt in Level 1 Certification Examination.
- ✓ Understand the structure and performance of securities markets; importance of [asset allocation](#) and impact of the market movement on the assets performance.

- ✓ Know the practical aspect of product selection, portfolio construction, review and rebalancing based on clients need.
- ✓ Know the compliance, operations and service elements in investment advice.

Assessment Structure

The examination consists of 8 caselets with 4 multiple choice questions of 2 marks each per caselet and 36 multiple choice questions of 1 mark each adding up to 100 marks. The examination should be completed in 2 hours. There is negative marking of 25% of the marks assigned to a question. The passing score for the examination is 60 marks.

Test Details

Name of Module: NISM-Series-X-B: Investment Adviser (Level 2) Certification Examination

Fees (Rs.)	Test Duration (in minutes)	No. of Questions	Maximum Marks	Pass Marks* (%)	Certificate Validity# (in years)
1500+	120	68~	100	60	3

+ Payment gateway charges extra.

~ 36 multiple choice questions of 1 mark each and 8 caselets with 4 multiple choice questions of 2 marks each (Total 68 questions adding up to 100 marks).

*: Negative marking - 25% of the marks assigned to the question

Passing Certificate will be issued only to those candidates who have furnished/ updated their Income Tax Permanent Account Number (PAN) in their registration details

Capital Requirements

For Individuals / Partnership firms – Rs 1,00,000/- net tangible assets

For body corporate – Networth of Rs 25,00,000/- (to be calculated as aggregate value of paid-up share capital plus free reserves (excluding reserves created out of revaluation) reduced by the aggregate value of accumulated losses, deferred expenditure not written off, including miscellaneous expenses not written off, and capital adequacy requirement for other services offered by the advisers in accordance with the applicable rules and regulations.

Application Form

In case you wish to offer investment advice to your clients across multiple financial products, you need to be mandatorily registered under the IA Regulations by submitting the following application form to SEBI:-

[Click here](#) to download the SEBI IA Regulations – application form.

[Click here](#) to download the Declaration to SEBI for IA registration form.

The application and registration fees are to be paid by way of demand draft drawn in favour of “Securities and Exchange Board of India” payable at Mumbai or at respective regional or local offices and shall be payable within 15 days from the date of receipt of intimation from SEBI.

Document Checklist

[Click here](#) to download the document checklist.

Source: www.nism.ac.in and www.amfiindia.com

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