



# Central Depository Services (India) Limited

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## COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

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CDSL/OPS/DP/POLCY/2022/57

February 01, 2022

### LAUNCH OF CVL ACCREDITATION AGENCY

DPs are advised to refer to SEBI Circular no. SEBI/HO/IMD-1/DF9/P/CIR/2021/620 dated August 26, 2021 (refer Annexure – I), wherein SEBI had provided the modalities for implementation of the Framework for Accredited Investors (AIs). As per the aforesaid Circular, persons desirous of being reckoned as AIs shall approach and Accreditation Agency for Accreditation.

CDSL Ventures Limited (CVL) vide Communique no. CVL/OPS/INTERM/GENRL/22-141 dated January 14, 2022 (refer Annexure – II), had informed the Market Participants that SEBI has granted recognition to CVL, as an Accreditation Agency for a period of 3 years w.e.f. February 01, 2022.

Further, CVL vide Communique no. CVL/OPS/INTERM/GENRL/143 dated January 31, 2022 (refer Annexure – III), had communicated the launch of the CVL Accreditation Agency Portal for Investor Accreditation and verification for Investment Providers.

Investors who wish to be register as 'Accredited Investors' need to submit an online application along with the supporting documents. The portal can be accessed from the link <https://aia.cvlindia.com> wherein investor has to complete the registration process and then submit the online application form after the payment of requisite fees.

Investment Providers are also required to first register on the portal <https://aia.cvlindia.com> before submitting the request for verification along with payment of requisite fees. Investment providers are advised to verify the Accreditation Status of CVL certified Accredited Investors before getting into any Investor Agreements.

The Standard Operating Procedure for Investors who wish to be reckoned as Accredited Investors is provided in the link <https://aia.cvlindia.com/Downloads/SOPs.zip> and for Investment Providers who wish to verify the accreditation status of investors is provided in the link <https://aia.cvlindia.com/Downloads/SOPs.zip>

The User manual for prospective Accredited Investor is available in the link <https://aia.cvlindia.com/Downloads/UserManuals.zip>



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## COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

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For any queries regarding this Communique, please contact Mr Amandeep Singh on 7303505137 or send an email to [cvlaia@cdslindia.com](mailto:cvlaia@cdslindia.com)

sd/-

**Nilesh Shah**  
**Asst. Vice President – Operations**



CIRCULAR

SEBI/HO/IMD/IMD-I/DF9/P/CIR/2021/620

August 26, 2021

To,

Recognized Stock Exchanges,  
Depositories,  
Alternative Investment Funds,  
Portfolio Managers,  
Investment Advisers

Dear Sir/ Madam,

**Sub: Modalities for implementation of the framework for Accredited Investors**

**A. General**

1. Pursuant to public consultation and approval of the SEBI Board, the framework for “Accredited Investors” (AIs) has been introduced in the securities market. In this regard, the SEBI (Alternative Investment Funds) Regulations, 2012 ([link](#)), SEBI (Portfolio Managers) Regulations, 2020 ([link](#)) and SEBI (Investment Advisers) Regulations, 2013 ([link](#)) have been amended and notified on August 03, 2021.
2. Under the aforesaid framework, AIs may avail flexibility in minimum investment amount (“Lower ticket size”) or concessions from specific regulatory requirements applicable to investment products, subject to conditions applicable for specific products/ services under the aforesaid Regulations. The modalities of accreditation are provided in **Annexure A**.
3. The framework for AIs may be made available on the respective websites.

**B. Accreditation Agency**

4. Persons desirous of being reckoned as AIs shall approach an Accreditation Agency for accreditation. Accreditation Agencies shall be responsible for:
  - (a) verification of documents submitted by applicants for accreditation,
  - (b) timely processing of applications for accreditation and issuance of accreditation certificate,
  - (c) maintaining data of accredited investors,
  - (d) verification of accreditation status,



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- (e) maintaining confidentiality of investor information at all times, and  
(f) any other responsibilities as may be specified by SEBI from time to time.
5. Accreditation Agencies shall have the requisite infrastructure including systems and manpower to fulfill their responsibilities as specified under Para 4.
6. The following entities are eligible to carry out the accreditation process:
- (i) Subsidiaries of recognized Stock Exchanges, provided the Stock Exchange meets the following criteria:
- (a) minimum 20 years presence in Indian securities market,  
(b) minimum networth of INR 200 crores,  
(c) presence of nation-wide terminals,  
(d) having Investor grievance redressal mechanisms in place, including arbitration,  
(e) presence of Investor Service Centers (ISCs) in at least 20 cities, and  
(f) any other criteria as specified by SEBI from time to time.
- (ii) Subsidiaries of Depositories
7. Eligible subsidiaries shall make an application to SEBI through the concerned Stock Exchange or Depository, for recognition as an Accreditation Agency in terms of Regulation 2(1)(aa) of the SEBI (Alternative Investment Funds) Regulations, 2012, within 3 weeks from the date of the Circular.
8. This Circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, to protect the interest of investors in securities market and to promote the development of, and to regulate the securities market.
9. This Circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework - Circulars", "Info for - Alternative Investment Funds", "Info for – Portfolio Managers" and "Info for- Investment Advisers".

Yours faithfully,

**Deepti Agrawal**  
**General Manager**  
Tel no.: +91-22-26449616  
[deeptiv@sebi.gov.in](mailto:deeptiv@sebi.gov.in)



**Annexure A – Modalities of Accreditation**

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**1. Eligibility Criteria for Accredited Investors**

1.1. The following persons shall be eligible to be considered as Accredited Investors:

- (i) Individuals, HUFs, Family Trusts and Sole Proprietorships, which meet the criteria as under:
  - a. Annual Income  $\geq$  INR 2 Crore; OR
  - b. Net Worth  $\geq$  INR 7.5 Crore, out of which at least INR 3.75 Crore is in the form of financial assets; OR
  - c. Annual Income  $\geq$  INR 1 Crore+ Net Worth  $\geq$  INR 5 Crore, out of which at least INR 2.5 Crore is in the form of financial assets;
- (ii) Partnership Firms set up under the Indian Partnership Act, 1932 in which each partner independently meets the criteria for accreditation.
- (iii) Trusts (other than family trusts) with net worth greater than or equal to INR 50 Crore.
- (iv) Body Corporates with net worth greater than or equal to INR 50 Crore.

1.2. For the purpose of accreditation, eligibility criteria shall be reckoned based on the documents as specified in **Annexure B**.

1.3. In case of accreditation of individual investors, HUFs and Sole Proprietorships, the value of the primary residence of the individual, Karta of HUF and the Sole Proprietor respectively, shall not be considered for calculation of net worth.

1.4. In case of investments held jointly by more than one individual, the following conditions shall apply for eligibility as AI:

- (i) Where the joint holders are parent(s) & child(ren), at least one person should independently fulfill the eligibility criteria for AI.
- (ii) Where the joint holders are spouses, their combined income/ net worth should meet the eligibility criteria for AI.

1.5. For the purpose of reckoning eligibility criteria, net worth of Body Corporates shall be calculated as under:

*Net worth = (Capital + free reserves) – (Accumulated losses + deferred expenditure not written off)*



1.6. For the purpose of reckoning eligibility criteria, net worth of Trusts shall be calculated as under:

*Net worth = (Book value of all assets, other than intangible assets) – (Book value of total liabilities)*

1.7. For Body Corporates and Trusts, eligibility criteria for accreditation shall be considered on the basis of the following:

- (a) Financial information as per statutory audit; or
- (b) Financial information as per audit by the statutory auditor as on a date during the financial year in which application is made (if furnished).

1.8. The eligibility of foreign investors to be accredited shall be determined on the basis of the rupee equivalent of their income and/ or net worth as applicable.

## 2. Procedure for Accreditation

2.1. For accreditation, the prospective AI (“Applicant”) shall make an application to the Accreditation Agency in the manner specified by the Accreditation Agency. Detailed documentation required for accreditation is provided at **Annexure B**.

2.2. Accreditation Agency shall verify that, at the time of accreditation, the Applicant is ‘fit and proper’ to participate in the securities market, including absence of any convictions or restraint orders, not being a wilful defaulter, etc.

2.3. The Accreditation Agency shall issue a certificate to the Applicant as an AI (“Accreditation Certificate”). Each Accreditation Certificate shall have a unique accreditation number, name of the Accreditation Agency, PAN of the Applicant and validity of accreditation (start date and end date).

## 3. Validity of Accreditation

3.1. If the Applicant meets the eligibility criteria as under Paragraph 1 for accreditation for preceding one year, the accreditation shall be valid for a period of one year from the date of such accreditation.



3.2.If the Applicant consistently meets the said eligibility criteria for accreditation in each of the preceding three years, the accreditation shall be valid for a period of two years from the date of such accreditation.

#### 4. Procedure to avail benefits linked to accreditation

4.1.Prospective investors shall, *inter-alia*, submit a copy of the Accreditation Certificate and an undertaking to the investment provider (i.e. provider of securities market product or service) to the effect that:

- (a) The prospective investor wishes to avail benefits under the AI framework. (“Consent”).
- (b) The prospective investor has the ability to bear the financial risks associated with the investment.
- (c) The prospective investor has the necessary knowledge and means to understand the features of the Investment Product, including the risks associated with the investment.
- (d) The prospective investor is aware that the investment product is meant for AIs and may not be subject to the same regulatory oversight as over investment products meant for investors other than AI.

4.2.The Investment provider shall independently verify the status of accreditation of the prospective investor from the concerned Accreditation Agency. Further, investment providers may obtain additional undertakings from prospective investors, provided they do not dilute or contravene the undertakings in terms of Para 4.1 above.

4.3.Prior to entering into a client agreement with an AI, the investment provider shall disclose to the AI, details of regulatory concessions available for the proposed investment, and the relevant conditions applicable under the AI framework.

4.4.The client agreement shall, *inter-alia*, provide the following:

- (i) details of regulatory concessions agreed upon between the investor and the investment provider, and the conditions for availing the same, and
- (ii) consequences, if any, in the event of the investor becoming ineligible to be an AI during the tenure of the said agreement.

#### 5. Flexibility to investors to withdraw ‘Consent’

5.1.Investors shall have the flexibility to withdraw their ‘Consent’ and discontinue availing benefits of accreditation, subject to the following:



- (a) An investor who withdraws 'Consent' after availing the benefit of lower ticket size shall be required to increase the investment to the minimum amount that is stipulated under the applicable regulatory framework for the particular investment product, within the timeframe specified in the client agreement.
- (b) If an investor who has availed concessions to the regulatory framework withdraws the 'Consent' furnished to the investment provider before the expiry of the client agreement, the investments already made shall be 'grandfathered' i.e. such investments shall continue to be reckoned as investments by an AI. With effect from the date of withdrawal of consent, any further transaction shall be in accordance with the applicable regulatory framework.

5.2. Investors in pooled investment products which are launched exclusively for AIs, in which concessions to regulatory framework have been availed, shall not have the flexibility to withdraw their Consent.

5.3. The client agreement shall, *inter-alia*, provide the modalities for withdrawal of 'Consent' and consequences of the investor withdrawing the 'Consent'.

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**Annexure B - List of Documents to be submitted by Applicant for accreditation**

The Applicant shall furnish self-certified copies of the following documents:

<b>Information</b>	<b>Documents to be submitted</b>
<b>In case of Individual / HUF</b>	
Proof of Identity	(a) Copy of PAN Card. (b) Copy of Aadhaar Card or Copy of Valid Passport.
Proof of financial information <i>(Number of years for which financial information is provided shall determine the validity of the accreditation)</i>	(a) Copies of Income Tax Return(s) of preceding one or three financial years, depending on desired validity of accreditation (b) Certificate from practicing chartered accountant stating net worth as on March 31 of one or three financial years preceding the date of application (c) Certificate from practicing chartered accountant stating net worth as on the date of application. (optional)  <i>(Calculation of Net worth to be given as an Annexure to the certificate.)</i>
Proof of basis of valuation of assets  (as applicable)	(a) Proof of 'ready reckoner rate' applicable to real estate assets considered for calculation of net worth. (b) Copy of demat account statement (c) Any other document as required.
Undertakings	Declaration from Applicant that:  (a) The Applicant is not a wilful defaulter. (b) The Applicant is not a fugitive economic offender. (c) The Applicant is not debarred from the securities market as on the date of application. (d) In case of a Non Resident Indian or foreign investor, confirmation that he or she has not been restricted from accessing securities market by the country of jurisdiction where he or she resides. (e) The submissions made to the Accreditation Agency are true and correct and if found incorrect, the Accreditation Agency reserves the right to reject the application or withdraw the accreditation, as applicable.
Other Documents	Any other document as specified by the Accreditation Agency



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Information	Documents to be submitted
<b>In case of Body Corporates</b>	
Authorization to seek accreditation	(a) Certified copy of Board Resolution to apply for accreditation
Proof of Identity	(a) Copy of PAN card (b) Document of Incorporation
Proof of financial information  <i>(Number of years for which financial information is provided shall determine the validity of the accreditation)</i>	(a) Copies of Income tax return(s) of one or three financial years preceding the date of application. (b) Copies of audited Financial Statements of one or three financial years preceding the date of application. (c) Certificate from practicing chartered accountant stating net worth as on March 31 of one or three financial years preceding the date of application.  <i>(Working of Net worth to be given as Annexure to the certificate)</i>  (d) Audited financial statements prepared by the statutory auditor for the current date/ period <i>(optional)</i> (e) Certificate from practicing chartered accountant stating net worth as on the date of application. <i>(optional)</i>
Undertakings  <i>(To be provided by Managing Director/ Designated Partner/ authorized person)</i>	Declaration that:  (a) The Applicant or its promoters/partners or directors are not wilful defaulters. (b) The promoters/partners or directors of the Applicant are not fugitive economic offenders. (c) The Applicant is not debarred from the securities market as on the date of application. (d) In case of a foreign investor, confirmation that it has not been restricted from accessing securities market by the country of jurisdiction where it is incorporated. (e) The submissions made to the Accreditation Agency are true and correct and if found incorrect, the Accreditation Agency reserves the right to reject the application or withdraw the accreditation, as applicable.
Other Documents	Any other document as specified by the Accreditation Agency
<b>In case of Trusts</b>	
Proof of Identity	(a) Copy of PAN Card. (b) Copy of registered Trust Deed.



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Information	Documents to be submitted
Proof of financial information <i>(Number of years for which financial information is provided shall determine the validity of the accreditation)</i>	(a) Copies of Income tax return(s) of one or three financial years, preceding the date of application (b) Copies of audited Financial Statements of one or three financial years preceding the date of application. (c) Certificate from practicing chartered accountant stating net worth as on March 31 of one or three financial years preceding the date of application.  <i>(Working of Net worth to be given as Annexure to the certificate)</i>  (d) Audited financial statements prepared by the statutory auditor for the current date/ period (optional) (e) Certificate from practicing chartered accountant stating net worth as on the date of application. <i>(optional)</i>
Proof of basis of valuation of assets	(a) Statement of assets and liabilities of the Trust for preceding one year or three years, depending on desired validity of accreditation (b) Proof of 'ready reckoner rate' applicable to real estate assets considered for calculation of net worth. (c) Copy of demat account statement (d) Any other document as required.
Undertakings <i>(To be provided by Trustee/ Board of Trustees)</i>	(a) The Applicant /its beneficiaries/ Trustee(s) are not wilful defaulters. (b) The beneficiaries of the Applicant or its Trustee(s) are not fugitive economic offenders. (c) The Applicant is not debarred from the securities market as on the date of application. (d) In case of a foreign investor, confirmation that it has not been restricted from accessing securities market by the country of jurisdiction where it is incorporated. (e) The submissions made to the Accreditation Agency are true and correct and if found incorrect, the Accreditation Agency reserves the right to reject the application or withdraw the accreditation, as applicable.
Other Documents	Any other document as specified by the Accreditation Agency

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# CDSL VENTURES LIMITED

....Exploring New Horizons

## KRA COMMUNIQUÉ

CVL/OPS/INTERM/GENRL/22-141

January 14, 2022

### CVL GETS RECOGNITION AS AN ACCREDITATION AGENCY

CVL would like to draw the attention of Market Participants to SEBI Circular no. SEBI/HO/IMD-1/DF9/P/CIR/2021/620 dated August 26, 2021 providing the modalities for implementation of the Framework for Accredited Investors.

In this regard, we are pleased to inform that SEBI has granted recognition to CDSL Ventures Limited, as an Accreditation Agency under Regulation 2(1)(aa) of SEBI (Alternative Investment Funds) Regulations 2012 read with SEBI Circular no. SEBI/HO/IMD-1/DF9/P/CIR/2021/620 dated August 26, 2021 for a period of 3 years w.e.f. February 01, 2022.

The procedure for accreditation of an investor and verification of accreditation status of an investor by investment providers (viz. Alternate Investment Funds, Portfolio Managers and Investment Advisors) and other modalities shall be informed shortly.

Queries regarding this communiqué may be sent to [cvlaia@cdslindia.com](mailto:cvlaia@cdslindia.com)

Sd/-

**Santosh Patil**

Compliance Officer





# CDSL VENTURES LIMITED

....Exploring New Horizons

KRA COMMUNIQUÉ

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CVL/OPS/INTERM/GENRL/143

January 31, 2022

## LAUNCH of CVL ACCREDITATION AGENCY

Please refer to SEBI Circular no. SEBI/HO/IMD-1/DF9/P/CIR/2021/620 dated August 26, 2021 providing the modalities for implementation of the Framework for Accredited Investors.

In this regard, CDSL Ventures Limited (CVL) had earlier informed vide Communiqué CVL/OPS/INTERM/GENRL/22-141 dated January 14, 2022 that SEBI has granted recognition to CVL, as an Accreditation Agency.

CVL has developed an online portal to enable investors who wish to be registered as 'Accredited Investors' to submit an online application along with the supporting documents. The portal can be accessed on <https://aia.cvlindia.com> where investor needs to complete the registration process and then submit the online application after payment of the requisite fees.

Investment Providers also need to first register on the portal <https://aia.cvlindia.com> before submitting the request for verification along with payment of requisite fees. Investment providers are advised to verify the Accreditation Status of CVL certified Accredited Investors before getting into any Investor Agreements.

The Standard Operating Procedure for Investors who wish to be reckoned as Accredited Investors is provided in the link <https://aia.cvlindia.com/Downloads/SOPs.zip>

The standard operating Procedure for Investment Providers who wish to verify the accreditation status of investors is provided in the link <https://aia.cvlindia.com/Downloads/SOPs.zip>

The User manual for prospective Accredited Investor is provided in the link <https://aia.cvlindia.com/Downloads/UserManuals.zip>

For any queries regarding this Communiqué, please contact Mr Amandeep Singh on 7303505137 or send an email to [cvlaia@cdslindia.com](mailto:cvlaia@cdslindia.com)

Sd/-  
**Santosh Patil**  
Compliance Officer

A. Tariff for applicant investor who wishes to be reckoned as an Accredited Investor, is as given below.

(+ Taxes as applicable)

S.No	Investor Type	Processing Fee (Rs)	1 Year - Duration Certificate Fee (Rs.)	2 Year – Duration Certificate Fee (Rs)
1	Individual Investors, HUFs, Family Trusts and Sole Partnerships	5,000/-	5,000/-	9,500/-
2	Partnership firms	5,000/-	10,000/-	19,000/-
3	Trusts (other than Family Trusts)	5,000/-	15,000/-	28,500/-
4	Body Corporates	5,000/-	15,000/-	28,500/-

The same charges would be applicable for renewal.

The Processing fee would be non-refundable.

B. Tariff applicable for Investment Provider is as given below.

(+ Taxes as applicable)

S.No.	Entity Type	Registration Fee (one-time)	Annual Fee	Verification Fee
1.	Alternative Investment Fund	Rs. 5,000/-	Rs. 2,000/- per Annum	Rs. 500/- per Certificate
2.	Foreign portfolio Investor	Rs. 5,000/-	Rs. 2,000/- per Annum	Rs. 500/- per Certificate
3.	Investment Adviser	Rs. 5,000/-	Rs. 2,000/- per Annum	Rs. 500/- per Certificate