

SEBI's Accredited Investor Review: What the Board Approved on 24 September 2026

Four changes for angel funds, AIFs, non-resident investors and LLPs

SEBI Press Release No. 59/2026, item 12 | Board meeting of 24 September 2026

ANGEL FUNDS

AIF REGULATIONS

ACCREDITED INVESTORS

NON-RESIDENTS

A S Banka Advisors Private Limited



Who Is an Accredited Investor Today?

Regulation 2(1)(ab), SEBI (Alternative Investment Funds) Regulations, 2012 (amended up to 14 July 2026): a person granted a certificate of accreditation by an accreditation agency who meets these tests.

Investor type	Test today
Individual, HUF, family trust, sole proprietorship	Annual income of at least Rs 2 crore; OR net worth of at least Rs 7.5 crore, with at least Rs 3.75 crore in financial assets; OR annual income of at least Rs 1 crore and net worth of at least Rs 5 crore, with at least Rs 2.5 crore in financial assets
Body corporate	Net worth of at least Rs 50 crore
Trust other than a family trust	Net worth of at least Rs 50 crore
Partnership firm under the Indian Partnership Act, 1932	Each partner independently meets the eligibility criteria

Accreditation agency (regulation 2(1)(aa)): a subsidiary of a recognised stock exchange or of a depository, or any other entity as may be specified by SEBI.

Deemed Accredited Today, Without a Certificate

The proviso to regulation 2(1)(ab) deems these investors accredited:

Central and State Governments

Their developmental agencies and funds

Qualified Institutional Buyers

Under the SEBI ICDR Regulations, 2018

Category I Foreign Portfolio Investors

Sovereign Wealth Funds and Multilateral Agencies

Any Other Entity

As may be specified by SEBI

Important Note

Today, a non-resident who is not in one of these categories needs a certificate of accreditation.

The Four Changes the SEBI Board Approved



Manager-led accreditation

As an additional and optional route, managers of AIFs, AMCs offering Specialized Investment Funds (SIFs) and SEBI-registered portfolio managers will be permitted to accredit investors. The Accreditation Agency route continues.



Securities market exposure test

At least Rs 5 crore for individuals, HUFs, family trusts and sole proprietorships; at least Rs 20 crore for body corporates and other trusts. An additional eligibility criterion.



Deemed accreditation for non-residents

Persons resident outside India, as defined under FEMA, 1999, including Foreign Portfolio Investors, will be deemed to be accredited investors.



LLPs

LLPs will be eligible for accreditation where each partner is an accredited investor, in line with the framework for partnership firms.



Today vs the Board Decision

Point	Regulation 2(1)(ab) today	SEBI Board, 24 September 2026
Who accredits	Accreditation agency	Accreditation agency, or (optional) AIF manager, SIF AMC or SEBI-registered portfolio manager
Eligibility tests	Income and / or net worth	Same, plus securities market exposure: Rs 5 crore or Rs 20 crore
Non-residents	Category I FPIs deemed accredited	Persons resident outside India under FEMA, including FPIs, deemed accredited
LLPs	Not named	Eligible where each partner is an accredited investor

Per the release, accreditation under both the manager-led and Accreditation Agency routes will be valid for three years, and manager-led accreditation will be portable across AIF, SIF and PMS products within the same group, subject to appropriate safeguards.

What Applies Today: Board Approval vs the Regulation

Board approval

The four changes are decisions announced in SEBI Press Release No. 59/2026 dated 24 September 2026.

The regulation today

The AIF Regulations on SEBI's website, amended up to 14 July 2026, define an accredited investor on the income and net worth tests, through an accreditation agency.

Angel funds

Regulation 19D(1): angel funds shall raise funds only from accredited investors by way of issue of units; key management personnel of the fund or its manager may invest.

The 31 March 2027 date

SEBI Circular dated 7 September 2026: angel funds registered on or before 10 September 2025 must implement the accredited investor mandate on or before 31 March 2027, and may not offer investment opportunity to more than 200 non-accredited investors in this period.



Who Is Affected

Founders raising from angel funds

Under regulation 19D(1), an angel fund raises funds only from accredited investors (its key management personnel may also invest). Today the income and net worth tests decide who qualifies.

Angel fund and AIF managers

The manager-led route is a Board decision. Today, accreditation runs through an accreditation agency.

NRI and foreign investors

Today only Category I FPIs and the other listed categories are deemed accredited. Others need a certificate.

LLP investors

The definition today names partnership firms under the 1932 Act, not LLPs.

Four Points to Keep in Mind

1. A press release is not the regulation

Onboard investors on regulation 2(1)(ab) as it reads today.

2. Rs 5 crore exposure test

Do not accredit an investor on securities market exposure alone under the regulation today.

3. Non-resident investors

Do not treat a non-resident outside today's deemed categories as deemed accredited on the strength of the release.

4. The 31 March 2027 date is in force

It comes from the 7 September 2026 circular and applies to angel funds registered on or before 10 September 2025.

Your Action Plan

1

Step 1

Map every investor in your angel fund round against the tests in regulation 2(1)(ab) today.

2

Step 2

Check whether the angel fund was registered on or before 10 September 2025, and plan to the 31 March 2027 date.

3

Step 3

Have non-accredited investors obtain a certificate from an accreditation agency.

4

Step 4

Track SEBI's regulations and circulars pages for any change to regulation 2(1)(ab), and read the text before relying on a new route.

 Book a Call with A S Banka Advisors Private Limited to plan your round.

Source: SEBI Press Release No. 59/2026, 24 September 2026, item 12, sebi.gov.in

Source: SEBI (Alternative Investment Funds) Regulations, 2012, regulations 2(1)(aa), 2(1)(ab), 19A(2), 19D(1), sebi.gov.in

Source: SEBI Circular HO/19/34/11(7)2025-AFD-POD1/I/20626/2026 dated 7 September 2026, sebi.gov.in