Accredited Investors: SEBI's Circular of 5 November 2026

Manager-led accreditation, three-year validity and the Rs 5 crore exposure test

Tags: Angel Funds | Regulation 2(1)(ab) | Securities Market Exposure | Master Circular Chapter 10

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What SEBI has now specified

SEBI Circular HO/19/34/11(6)2026-AFD-POD1/I/25244/2026 (5 November 2026) sets the modalities for the accredited investor changes notified on 15 October 2026. It came into force with immediate effect.

The same text now sits in Chapter 10 of the Master Circular for AIFs, last updated on 5 November 2026.

Question	Answer in the circular
Who can accredit	A Manager, alongside recognised Accreditation Agencies (paras 3.1, 3.5)
How long it lasts	Three years from the date of accreditation, on both routes (paras 4.1, 4.3)
What counts as exposure	Five listed holding types (para 5.2)
What to submit	Documents per test (para 7.1)
Investors abroad	Deemed accredited, no certificate needed (para 9.1)

Two routes, and they carry differently

Manager-led accreditation is additional and optional. An Investment Adviser or Research Analyst may not determine status independently, but may rely on a valid determination by a Manager in its Group (para 3.3).

Point	Accreditation Agency	Manager-led
Who decides	Recognised Accreditation Agency	Manager of an AIF, AMC of a Specialized Investment Fund, or portfolio manager
Validity	Three years (para 4.3)	Three years (para 4.1)
Where it carries	A Manager must rely on a valid certificate and must not determine afresh during its validity (para 3.5)	Across Managers of the same Group (para 3.2); determined afresh when a Manager outside the Group onboards the investor (para 4.2)
Proof for the investor	Certificate of accreditation	Written confirmation with the date of accreditation and validity period (para 3.4)

The securities market exposure test

Rs 5 crore:

individual, HUF, family trust or sole proprietorship (para 5.1).

Rs 20 crore:

body corporate or trust other than a family trust (para 5.1)



What counts (para 5.2):

- Securities held in dematerialised form
- Mutual fund investments held through folios
- Unlisted securities held in dematerialised form
- Investments in the overseas securities market
- Investments under the National Pension System

How it is valued: demat holdings at the eCAS value as of the statement date (para 5.3). Unlisted and overseas holdings not valued in eCAS need a practising CA's certificate stating the nature of securities, valuation date and value (para 5.4).

Documents for each test

Exposure is an alternative test. The income and net worth tests in regulation 2(1)(ab) are unchanged. Para 7.1 applies to Managers and Accreditation Agencies alike.

Test	Document (para 7.1)
Income	Latest Income Tax Return, or a practising CA's certificate that the prescribed income threshold is met
Net worth	Latest audited financial statements, or a practising CA's net worth certificate, not older than six months
Securities market exposure	eCAS summary statement generated by a depository, not older than six months, or a practising CA's certificate that the threshold was met within the last six months

Investors abroad and LLPs

Persons resident outside India:

- Deemed accredited, as defined under FEMA, 1999 (para 9.1)
- No certificate and no manager-led accreditation
- The Manager records the basis of identification (para 9.2)
- PMLA client due diligence, beneficial ownership and source of funds obligations are not diluted (para 9.3)

LLPs:

- Recognised where each partner independently satisfies the criteria applicable to that partner on the date of determination (para 8.1)
- A partner that is a body corporate, LLP, firm or trust satisfies the criteria applicable to it (para 8.2)
- Net worth of Rs 50 crore or exposure of Rs 20 crore are also listed for an LLP (Master Circular para 10.3.1(b))





Who this affects

Founders raising from an angel fund: when a contribution for your company is accepted, the fund's Manager must ensure the investor holds a valid certificate, a confirmation of accreditation by the manager, or meets the deemed criteria (Master Circular para 8.1.3).

Fund managers and portfolio managers: decide whether to offer the route. If you do, adopt an accreditation policy (para 6.4), keep records for at least five years (para 6.2) and document each decision (para 6.5).

Practising CAs: align certificates with paras 5.4 and 7.1, including nature of securities, valuation date and value for unlisted and overseas holdings.

Investors: note the expiry date on your certificate or confirmation.

Points to watch

1. A manager-led confirmation carries only within the Group. A valid agency certificate must be relied on by a Manager.

2. Unlisted securities count towards exposure when held in dematerialised form (para 5.2.3).

3. An investor accredited at onboarding into a scheme stays accredited for the remaining life of that scheme (para 4.4). Master Circular para 8.1.3 looks at the time of accepting a contribution for an investee company, so ask the manager what it records at each point.

4. The each-partner route for an LLP sits alongside the LLP net worth and exposure tests. It does not replace them.

Action plan

1. Ask each angel fund for its registration date and which accreditation route its investors use.
2. Map every investor to one of three: valid certificate, manager's confirmation, or deemed criteria.
3. Note the validity date of each certificate or confirmation against your expected closing date.
4. For investors using the exposure test, line up an eCAS summary not older than six months.
5. For investors abroad, ask the Manager to record the basis on which they were identified as persons resident outside India.

Key dates

15 October 2026:

AIF Regulations amended and notified

5 November 2026:

SEBI circular in force; a certificate issued before this date stays valid for its unexpired period (para 4.5; Master Circular para 10.5.5)

31 March 2027:

Angel Funds registered on or before 10 September 2025 must meet the accredited investor mandate, and cannot accept contributions for an investee company from non-accredited investors after this date (Master Circular paras 8.1.2(a), (b))

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Source: Securities and Exchange Board of India, Circular HO/19/34/11(6)2026-AFD-POD1/I/25244/2026, 5 November 2026, sebi.gov.in. Source: Securities and Exchange Board of India, Master Circular for Alternative Investment Funds, 3 June 2026, last updated on 5 November 2026, sebi.gov.in. Source: SEBI (Alternative Investment Funds) Regulations, 2012, as amended up to 15 October 2026, sebi.gov.in.