



NOTICE

Notice No.	20260504-20
Notice Date	04 May 2026
Category	Others
Segment	Investment Advisers
Department	Membership Compliance
Subject	Guidelines for Annual Compliance Audit requirement
Attachments	Annexure to Audit Report IA FY2025 26 ; Process flow for ACR submission

This is with reference to SEBI Master Circular no. H O/38/12/11(2)2026-MIRSD-POD/I/4300/2026 dated February 06, 2026, issued for Investment Advisers.

Point 1(xiv) of the above-mentioned circular details about Compliance Audit requirements:

- a. As per regulation 19(3) of the IA Regulations, IA shall conduct annual audit in respect of compliance with SEBI (Investment Advisers) Regulations, 2013 and circulars issued thereunder.
- b. Annual compliance audit report shall specify each of the provisions of the IA Regulations and the circulars and guidelines issued thereunder upon which compliance is reported.
- c. An IA shall –
 - (i) complete the annual compliance audit within six months from the end of each financial year and submit a compliance audit report to IAASB/SEBI within a period of one month from the date of the audit report.
 - (ii) submit adverse findings of audit, if any, along with action taken thereof duly approved by the individual IA or management of non-individual IA to IAASB/SEBI within a period of one month from the date of the audit report but not later than October 31st of each year for the previous financial year; and
 - (iii) maintain on record an annual certificate from a member of ICAI/ ICSI/ ICMAI or from an auditor confirming compliance with client level segregation requirements. Such annual certificate shall be obtained within six months of the end of the financial year and form part of compliance audit, in terms of Regulation 19(3) of the IA Regulations.
- d. IA shall publish the status of the compliance audit report on its website and shall also publish the adverse findings of audit, if any, along with the action taken thereof on their website. IA shall provide the compliance audit report to its clients.
- e. IA shall ensure compliance with the additional audit requirements under this clause starting with for audit report of the financial year ending March 31, 2025.

In view of the above, the format for the “Annexure to the audit report” for FY 2025-2026 has been attached herewith in which the auditor shall specify compliance against each of the provisions of the IA Regulations and the circulars and guidelines.

It may be noted that portal for uploading the ACR is under development which will facilitate seamless submission of audit report, annexure to audit report, client level segregation certificate and Action taken report for adverse findings during audit by Investment Adviser. IAs will have 2 options for submission i.e. by appointing auditor through system or direct submissions by IAs. The process flow for both the modes is explained in attached flow chart.

Please note that only portal-based submission shall be considered. Submission through email shall not be considered.

Go live date for the ACR module shall be intimated via separate circular. Post which the Investment Advisers shall use their existing IA login credentials of the Exchanges used for periodic submission / registration for ACR submission. There is NO need to create new logins for this purpose. In case you are unaware about your login credentials please mark an email on iara.compliance@bseindia.com

All the Investment Advisers are advised to take note and comply.

Neeky Subramaniam

Manager

Membership