

# CIRCULAR

Circular No.

20220519-1

Circular Date

5/19/2022 3:56:57 PM

Category

SUPERVISION

Segment

BASL

Subject

Submission of annual compliance audit report by Investment Advisers.

Attachments

- [BASL IA - Format of Annual Compliance Audit Report](#)



Notice No. : 20220519-01

Notice Dated : 19/05/2022

**Sub. : Submission of annual compliance audit report by Investment Advisers.**

Attention of the BASL enrolled Investment Adviser (IA) members is drawn to Regulation 19(3) of the SEBI (Investment Advisers) Regulation, 2013 and SEBI circular no. SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020.

As per said SEBI (IA) Regulation, 2013 Investment advisers are required to conduct yearly audit in respect to compliance with the regulations from a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India within six months from the end of each financial year. Investment advisers are also required to ensure that the adverse findings of the audit, if any, alongwith the action taken report thereof duly approved by the individual IA / management of the non -individual IA need to be reported within a period of one month from the date of the audit report but not later than October 31<sup>st</sup> of each year for the previous financial year. A format of the audit reporting (to be duly signed by both the Investment Adviser and by member of ICAI/ICS) is attached. Investment Advisers are advised to submit compliance of all the regulations mentioned in SEBI (IA) Regulation, 2013 as amended from time to time.

Also, as per guidelines issued by SEBI vide circular no. SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020 Investment Advisers need to obtain and maintain on record an annual certificate from an auditor (in case of Individual IA) and its statutory auditor (in case of a non- individual IA) within six months of the end of the financial year, confirming compliance with the client level segregation requirements as specified in the IA Regulations. The said certificate as per specified SEBI circular shall form part of the aforesaid compliance audit report in terms of Regulation 19 (3) of the IA Regulations.

Accordingly, BASL (IA) members need to submit the following on a yearly basis :

- (a) Annual compliance audit reports in terms of Regulation 19(3) of the IA Regulations (which shall also include annual certificate confirming compliances with client level segregation).
- (b) To submit adverse findings of the audit, if any, alongwith action taken thereof duly approved by the individual IA/management of the non-individual IA to BASL (in addition to filings with SEBI as per circular dated September 23, 2020) within a period of one month from the date of the audit report but not later than, October 31<sup>st</sup> of the each year for the previous financial year.

BASL Investment Adviser members are advised to submit both the above reports for the last financial year ended **2021-2022** with the stipulated time period.

Also those BASL members who are yet to submit their aforesaid reports for the financial year ended **2020-2021** are advised to submit the same by **June 30, 2022**.

BASL IA members are advised to mention the subject of their email for aforesaid compliance reporting as **"Annual compliance audit reporting for FY ended \_\_\_\_ - \_\_\_\_ – BASL IA Member Name**

\_\_\_\_\_ **BASL Member ID** : \_\_\_\_\_ ." and submit the same to BASL email id : [compliance.ria@bseasl.com](mailto:compliance.ria@bseasl.com)

In case of any queries BASL IA members may reach out vide email to [compliance.ria@bseasl.com](mailto:compliance.ria@bseasl.com).

For and on behalf of BASL

Manjiri Nimkar  
Associate Manager.

Encl. : as above.