

**CIRCULAR**

SEBI/HO/MIRSD/ MIRSD-PoD/P/CIR/2025/116

**August 12, 2025**

To,

**All registered Investment Advisers**

**All registered Research Analysts**

**BSE Ltd. (Investment Adviser Administration and supervisory body- IAASB and  
Research Analyst Administration and Supervisory Body- RAASB)**

Sir / Madam,

**Sub: Use of liquid mutual funds and overnight mutual funds for compliance with  
deposit requirement by Investment Advisers and Research Analysts**

1. In terms of regulation 8 of SEBI (Investment Advisers) Regulations, 2013 ('IA Regulations') and SEBI (Research Analysts) Regulations, 2014 ('RA Regulations'), Investment Advisers ('IAs') and Research Analysts ('RAs') are required to maintain a deposit of such sum as specified by SEBI from time to time. Such deposit was required to be maintained with a scheduled bank marked as lien in favour of Investment Adviser Administration and Supervisory body (IAASB) or Research Analyst Administration and Supervisory body (RAASB), as the case may be.
2. Based on the representations from industry participants and inputs received through public consultation, SEBI Board in its meeting held in June 2025 has approved the proposal to allow IAs and RAs to use liquid mutual funds and overnight mutual funds, as an option to the bank deposit, for compliance with deposit requirement as specified under IA Regulations and RA Regulations. In this regard, SEBI (Research Analysts) (Amendment) Regulations, 2025 and SEBI

(Investment Advisers) (Amendment) Regulations, 2025 have been notified by SEBI on August 06 and August 07, 2025 respectively.

3. In order to ensure compliance with the deposit requirements under regulation 8 of IA Regulations and RA Regulations, IAs and RAs shall now maintain a deposit in the form of units of liquid mutual fund or an overnight mutual fund or as a deposit maintained with a scheduled bank. Such deposit shall be marked as lien in favour of IAASB or RAASB, as the case may be.
4. IAs and RAs shall comply with the deposit requirements latest by September 30, 2025.
5. IAASB/RAASB (BSE Limited) is hereby directed to put in place necessary systems and procedures for implementation of the provisions of this circular and bring the same to the notice of IAs/RAs.
6. The provisions of this circular shall come into effect from the date of issuance of this circular.
7. This circular is issued in exercise of powers conferred under section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 8 of SEBI (Investment Advisers) Regulations, 2013 and SEBI (Research Analysts) Regulations, 2014 to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market.
8. This circular is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the category "Legal →Circulars".

Yours faithfully,

**Aradhana Verma**  
**General Manager**

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