

## Certification Requirement for Compliance Officers of Managers of AIFs

Regulations 20(17) and 20(18) of the SEBI (Alternative Investment Fund) Regulations, 2012 (**AIF Regulations**) require every investment manager of an Alternative Investment Funds (**AIF**) to appoint a Compliance Officer (“CO”) for monitoring the AIF's compliance with applicable laws and regulations. Vide circular HO/19/(8)2025-AFD-POD1/1/1266/2025, dated December 30, 2025 (**SEBI Circular**), SEBI has introduced a new certification requirement for COs of investment managers of AIFs. The SEBI Circular requires COs to hold the NISM Series III-C: Securities Intermediaries Compliance (Fund) Certification. With effect from January 1, 2027, only individuals who hold this certification may be appointed as, or continue to act as, COs of the investment manager of any AIF registered with SEBI under the AIF Regulations. Further, the trustee, sponsor, or manager of the AIF (as applicable) must ensure that the Compliance Test Report prepared as per Regulation ## of the AIF Regulations specifically confirms compliance with this new certification requirement.

The NISM Series III-C: Securities Intermediaries Compliance (Fund) Certification is a professional credential developed and administered by the National Institute of Securities Markets (**NISM**). NISM launched this certification in November 2025 to create a common minimum knowledge benchmark for individuals engaged in compliance functions with SEBI-regulated intermediaries such as Mutual Funds, Alternative Investment Funds (AIFs), REITs and InvITs.

### ELP Comments

*Recently, vide a circular dated 17 November 2025, the International Financial Services Centres Authority (IFSCA) directed that all Designated Directors and Principal Officers of Regulated Entities must complete a specialised certification titled “NISM-IFSCA-01: Certification Course on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) in the IFSC”. Even before that, SEBI had made it mandatory for at least one member of the key investment team of an investment manager to obtain a NISM Series XIX certification (Series XIX-C, XIX-D or XIX-E, as applicable). This trend suggests that additional role-specific certifications are likely to be introduced over time as regulators continue to strengthen regulatory preparedness across the ecosystem.*

The SEBI Circular can be accessed [here](#).

We hope you have found this information useful. For any queries/clarifications, please write to us at [insights@elp-in.com](mailto:insights@elp-in.com) or write to our authors:

**Vinod Joseph, Partner – Email -** [vinodjoseph@elp-in.com](mailto:vinodjoseph@elp-in.com)

**Zaynali Badami, Associate – Email -** [zaynalibadami@elp-in.com](mailto:zaynalibadami@elp-in.com)

**Disclaimer:** The information provided in this update is intended for informational purposes only and does not constitute legal opinion or advice.