



CFA Society
India

India Insights

March 2024



EDITORIAL

It is my great pleasure to bring to you our latest edition of India Insights.

I am delighted to share that during the last quarter, the President and CEO of CFA Institute, Margaret Franklin, CFA, the chairman of CFA Society India, Rajendra Kalur, and the CEO of the National Stock Exchange of India Limited (NSE India), Ashish Chauhan, along with representatives from the CFA Society India, participated in a bell ringing ceremony at the NSE. At the event, a joint project between NSE India, CFA Institute and CFA Society India on the Business Responsibility and Sustainability Reporting (BRSR) data of Indian corporations was announced.

On the occasion of International Women's Day, CFA Society India hosted a special event on diversity and inclusion. The event started with an interactive workshop for its women members to develop their leadership qualities and executive presence. We had an insightful Keynote address by Dr. Ritu Anand on Power of Diversity on Behaviours and Actions. And it was followed by an engaging panel discussion on Workplace Inclusivity.

We concluded the 17th edition of the Research Challenge in India during the quarter. 238 students representing 50 B-Schools participated in the Research Challenge this year. The three National Final winner teams will represent India at Asia Pacific level.

During the last quarter, The Research, Advocacy and Standards committee of CFA Society India submitted comments to the SEBI's Consultation Papers on Ease of doing Business Initiatives for Portfolio Managers and Ease of Doing Business Initiatives for Mutual Funds.

On 15th March 2024, CFA Society held a roundtable on GIPS with representatives of prominent Asset Management Companies, PMS and AIFs. The roundtable focused on the importance of GIPS compliance, practical implementation strategies, and the global benefits of adherence, drawing insights from industry experts and committee members.

I hope you find this edition of India Insights useful. We will be happy to hear and discuss your suggestions and opinions related to advocacy initiatives.

If you are a member of CFA Society India and wish to volunteer for any of the advocacy initiatives, please drop a message on any of CFA Society India's social media handles and we will get in touch with you.

Best Regards,
Nimisha Pandit, CFA



EASE OF DOING BUSINESS INITIATIVES FOR PORTFOLIO MANAGERS



In February 2024, SEBI sought comments from public on the proposals regarding Ease of Doing Business Initiatives for Portfolio Managers.

We appreciate SEBI's effort to have a registration for PMS distributors with APMI. It will definitely help the investors and participants to understand the distributor profiles.

Below are some of our key suggestions.

- EUIIN process in Mutual fund space can be replicated for PMS distribution so that once the individual employee is moving organizations, it can be similarly managed and can be tracked. This will also help to assign the responsibility to the individual distributors.
- PMS has more complexities as compared to mutual funds, so we would suggest that SEBI can look to put some more check points (apart from NISM XXIA) for the registration of PMS distributors. Some suggestions for entry barriers could be industry experience, higher registration fees, setting threshold on AUM or clients for individual PMS distributors etc.
- SEBI can also look to align the change of ARN regulation in PMS distribution. This will help to reduce the unnecessary shifting of PMS AUM for the clients. This will also help the original distributor company to get compensated for bringing the investor to the PMS product and helping investor understand the product.
- For digital onboarding, requiring hand typed consent from customers is the step in right direction. We also suggest that the proposal that if the other holders choosing no and post explanation, to take consent in typing, could be avoidable.

[Our responses to SEBI can be accessed here.](#)

[SEBI's Consultation Paper can be accessed here.](#)



EASE OF DOING BUSINESS INITIATIVES FOR MUTUAL FUNDS.

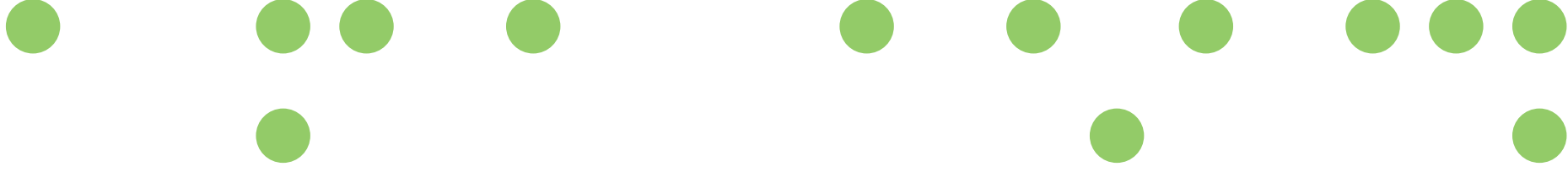


In February 2024, SEBI sought comments from public on the proposals regarding Ease of Doing Business Initiatives for Mutual Funds.

We appreciate SEBI's effort to support ease of doing business for mutual funds. Below are some of our key suggestions.

- We support the proposal for not mandating a separate fund manager for active fund management in Overseas investments because we believe that as the Indian companies are going global, the domestic equity fund managers are already analysing global businesses.
- We support that the decision of competence of fund manager be left to AMC.
- With respect to active fund management commodities, we believe that it is a completely different asset class and different market with its own dynamics. The same investment philosophy or strategy may not be applicable and it would be very difficult for an equity fund manager to develop complete capability to do justice to this market. Therefore, we suggest that if the exposure of fund to commodities goes past a certain threshold, they should be mandated to have a dedicated fund manager for commodities.
- We support the step to exclude the Equity oriented ETFs and index funds, based on widely tracked and non-bespoke Indices from the requirement of an investment limit of 25% in group companies of

Our responses to SEBI can be accessed [here](#).



sponsors. This is an important step to ensure that the tracking error of index funds or ETFs is minimized and the mandate of the investment vehicle is met as required. This will also help reduce unwarranted churn for investors.

- However, we suggest that SEBI should come out with a clear definition of widely tracked and non-bespoke indices so that there is no room for ambiguity.

SEBI's Consultation Paper can be accessed [here](#).

GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS) ROUND TABLE



On 15th March 2024, CFA Society held a roundtable on GIPS. Representatives of four PMS/AIF managers (Carnelian Capital, Alpha Accurate, Abakkus, Multi Act), three AMCs (Quantum, HDFC AMC, ICICI Pru), representatives from audit services including CRISIL, GIPS committee members (Ravi Gautham, Sanjay Parekh, Mohan Prabhu, Piyush Singh, Shreenivas Kunte), and CFA Institute staff (Amit Chakarabarty, Pankaj Sharma, Ken Robinson) participated in the roundtable.

The highlights of the discussion are as below:

- Leadership and Overview: Prashant Trivedi, Chairman, Multi-Act emphasized the key benefits of adhering to GIPS standards.
- Practical Implementation – CFA Society's GIPS champions Piyush Singh and Shreenivas Kunte demonstrations on how GIPS could be implemented for simple strategies.
- Global Benefits - Ken Robinson provided a global perspective on the advantages of using GIPS standards.

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