



## APPLICABILITY & IMPORTANT DATES FOR NISM XXI A & B

APMI conducted its first event on Wednesday 22nd June'22 with Mr. Manoj Kumar Executive Director, SEBI as the Chief Guest. This event was also attended by the CGM SEBI, Ms. Ruchi Chojer & GM SEBI, Ms. Mansawani Mahapatra with the presence of Board of Directors of APMI and over 75 participants from the PMS Industry.

During this event, participants contributed their views on various topics relevant for PMS Industry including the applicability and important dates related to the NISM XXI-A & XXI-B certifications required to be taken by associated persons, including principal officers and distributors of the Portfolio Managers. We are taking this opportunity to release a brief note on this important topic. APMI is working to create an Industry wide environment to facilitate these certifications for our members and their distributors.

### Background

SEBI (Portfolio Managers) Regulations, 2020 <https://www.sebi.gov.in/legal/regulations/nov-2021/securities-and-exchange-board-of-india-portfolio-managers-regulations-2020-last-amended-on-november-09-2021-45744.html> SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007 [SEBI | SEBI \(Certification of Associated Persons in the Securities Markets\) Regulations, 2007 \[Last amended on February 07, 2014\]](#) and various circulars [SEBI | Guidelines for Portfolio Managers](#) for 13th February 2020 Circular, [SEBI-Notification-for-NISM-Series-XXI-A-PMS-Distributors-Certification-Examination-dated-September-7-2021.pdf](#) for 7th September 2021 XXIA circular, [SEBI-Notification-for-NISM-Series-XXI-B-Portfolio-Managers-Certification-Examination-dated-September-7-2021.pdf](#) to 7th September 2021 XXIB circular) require the Principal Officers and other associated persons (including distributors) of the portfolio manager to obtain relevant NISM certifications as specified by SEBI.

### Mandatory Certifications and Continuing Professional Education

#### A:SEBI Circulars:

1. For Distributors, In house Sales/Product staff of Portfolio Managers - NISM-Series XXI-A: PMS Distributors Certification Examination [SEBI-Notification-for-NISM-Series-XXI-A-PMS-Distributors-Certification-Examination-dated-September-7-2021.pdf](#) is a mandatory examination. The examination seeks to create a common minimum knowledge benchmark for distributors of PMS. The certification aims to enhance the quality distribution and related support services in the PMS. NISM has notified NISM-Series-XXI-A: Portfolio Management Services (PMS) Distributors Certification Examination vide NISM communiqué NISM/Certification/Series-XXI-A: PMS/2021/01 dated February 16, 2021 (link (<https://www.nism.ac.in/circular/nism-series-xxi-a-portfolio-management-services-pms-distributors-certification-examination/>)). Please click here (<https://www.nism.ac.in/curriculum-2/>) for the curriculum.
2. For Principal Officers and other relevant employees- NISM-Series-XXI- B: Portfolio Managers Certification Examination <https://www.sebi.gov.in/legal/gazette-notification/sep-2021/notification-under-securities-and-exchange-board-of-india-certification-of-associated-persons-in-the-securities-markets-regulations-2007-nism-series-xxi-b-portfolio-managers-certification-examin-52517.html> to create a common minimum knowledge benchmark for principal officers and other employees of the Portfolio Management Services (PMS) firms. The exam aims to enhance the quality of Portfolio Management Services. Please click here <https://www.nism.ac.in/curriculum-nism-series-xxi-b-portfolio-managers-certification-examination/> for the curriculum.



## **B: CPE & eCPE:**

Once the certifications are obtained, the Regulations also require the certificate holders to complete the continuing professional education requirements to keep the certifications valid. Following links will help you understand the relevant CPE requirements:

1. Eligibility criteria for PMS- Distributors CPE/ eCPE Programme: <https://www.nism.ac.in/eligibility-criteria-and-requirements-portfolio-management-services-pms-distributors-cpe-program>
2. Eligibility criteria for PMS- Managers CPE / eCPE Programme: <https://www.nism.ac.in/eligibility-criteria-and-requirements-portfolio-managers-cpe-program>
3. FAQs on CPE Programme: <https://www.nism.ac.in/frequently-asked-questions-portfolio-management-services-pms-distributors-cpe-program/>
4. The E-CPE criteria (including Grandfathering provisions) can be availed by employees, local distributors as well as overseas distributors also.

## **C: Important Dates:**

1. Associated persons engaged in distribution of PMS products, engaged by Portfolio Managers before 7th Sept'21- have 2 years from the date of 2021 Circular i.e. by 7th September 2023) to obtain the certification by passing NISM XXI- A- This includes Sales/product employees hired before 7th Sept'21 and also local/overseas distributors. However, if their AMFI Registration Number and/or NISM V-A Certification are expiring before 7th September 2023, they need to obtain the NISM XXI-A certification on or before that date.
2. Portfolio Managers who engage or employ any such associated person after 7th Sept'21 have 1 year to obtain the certification by passing NISM XXI- A- This includes Sales/product employees hired after 7 Sept 21 and also local/overseas distributors. During this period though, the associated person needs to hold a valid- ARN and/or NISM V-A Certification.
3. The associated persons who are acting as the principal officer or employee(s) of the Portfolio Manager having decision making authority related to fund management, shall obtain the NISM-Series-XXI-B: Portfolio Managers Certification Examination before 7th September 2023.
4. Principal officers or employees having decision making authority for fund management, who have joined the portfolio manager after 7th September 2021, can clear the NISM Series-XXI-B: Portfolio Managers Certification Examination within 1 year from the date of joining.

## **D: Important Definitions as per Regulations:**

1. “agent” means any person who is engaged in the activity of sale or distribution of securities on behalf of an issuer or a distributor for a commission or any other consideration;
2. “associated person” means a principal or employee of an intermediary or an agent or distributor or other natural person engaged in the securities business and includes an employee of a foreign institutional investor or a foreign venture capital investor working in India;
3. “distributor” means any person engaged by an intermediary or an issuer for the purpose of sale or distribution of securities;
4. “principal” means persons who are actively engaged in the management of the intermediary’s securities business including supervision, solicitation, conduct of business, and includes Sole Proprietors, Managing Partners & Whole Time Directors.