

## **SEBI allows migration to AI-Only and Large Value Fund Schemes**

The Securities and Exchange Board of India (SEBI) vide its **Circular No. HO/19/34/11(5)2025-AFD-POD1/I/188/2025 dated December 08, 2025**, has outlined modalities for migration to Accredited Investor (AI)-only schemes and operational relaxations for Large Value Funds (LVFs) under the SEBI (Alternative Investment Funds) Regulations, 2012.

The circular permits existing AIFs or schemes to convert to AI-only or LVF schemes with investor consent, subject to reporting requirements to SEBI and depositories within 15 days of conversion. AI status of an investor at onboarding is retained throughout the scheme tenure. The maximum permissible extension for AI-only schemes is five years, including prior tenure.

The LVFs are exempt from following the standard placement memorandum template and annual audit requirements without specific investor waivers. Trustees or sponsors must ensure compliance through the 'Compliance Test Report.' The circular, effective immediately, aims to simplify operations, enhance flexibility, and facilitate ease of doing business for AIFs while protecting investor interests.

[Click here to read/ download the original circular](#)