

SEBI Modifies SIF Minimum Investment Monitoring

The Securities and Exchange Board of India (SEBI) vide its **Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2025/107, dated July 29, 2025**, has modified the mechanism for monitoring the minimum investment threshold in Specialized Investment Funds (SIFs).

Building on previous circulars from February and April 2025, the new directive details steps for Asset Management Companies (AMCs) to handle active breaches, defined as an investor's total investment falling below INR 10 lakh due to investor-initiated transactions.

If an active breach occurs, all units of the affected investor across SIF investment strategies will be frozen for debit. A 30-day notice will be issued to the investor to rebalance their investments. Should the investor comply within this period, the units will be unfrozen. However, if the investor fails to rebalance, the frozen units will be automatically redeemed by the AMC at the Net Asset Value (NAV) of the next business day following the 30-day notice period.

The AMCs, Registrar and Share Transfer Agents (RTAs), and Depositories are required to implement the necessary systems, with these provisions effective from July 29, 2025.

Link - <https://www.sebi.gov.in/legal/circulars/jul-2025/monitoring-of-minimum-investment-threshold-under-specialized-investment-funds-sif-95676.html>