

SEBI mandates NISM Certification for AIF Compliance Officers

The Securities and Exchange Board of India (SEBI) vide its **Circular No. HO/19/(8)2025-AFD-POD1/I/1266/2025, dated December 30, 2025**, has introduced a mandatory certification requirement for Compliance Officers of Managers of Alternative Investment Funds (AIFs), aiming to strengthen regulatory compliance and ensure that compliance functions within AIFs are handled by adequately qualified professionals.

SEBI has specified that Compliance Officers of AIF Managers must obtain certification from the National Institute of Securities Markets (NISM). The prescribed qualification is the NISM Series III-C: Securities Intermediaries Compliance (Fund) Certification Examination, which focuses on regulatory frameworks, compliance obligations, and fund-related governance standards.

The requirement applies to individuals currently serving as Compliance Officers as well as those appointed in the future. AIF Managers are responsible for ensuring that their Compliance Officers acquire and maintain the prescribed certification within the stipulated timeline. SEBI has clarified that with effect from 1 January 2027, only individuals who have successfully obtained the NISM certification may be appointed as Compliance Officers of AIF Managers. This provides a transition period for existing officers to meet the certification requirement.

By mandating NISM certification for Compliance Officers of AIF Managers, SEBI seeks to enhance compliance standards and reinforce investor protection in the alternative investment space. AIF Managers should proactively plan for certification to ensure uninterrupted compliance with regulatory requirements.

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