SEBI has specified framework for recognition and operationalisation of Past Risk and Return Verification Agency (PaRRVA)

The **Securities and Exchange Board of India (SEBI)** vide its **Circular No. HO/38/14/(4)2026-MIRSD-POD/I/10557/2026, dated April 29, 2026**, has operationalised the framework for the Past Risk and Return Verification Agency (PaRRVA). In its circular, SEBI has recognised Care Ratings Limited as the PaRRVA, while the National Stock Exchange has been designated as the PaRRVA Data Centre under the newly operationalised framework. Care Ratings will begin providing its services after completion of the pilot-phase with operations commencing from 4 May 2026.

Under the framework, a Credit Rating Agency may be recognised as a PaRRVA in terms of the SEBI (Credit Rating Agencies) Regulations, 1999 and the SEBI (Intermediaries) Regulations, 2008. SEBI has mandated that Investment Advisers (IAs) and Research Analysts (RAs) intending to communicate past performance data to clients must register with PaRRVA within three months from the date of operationalisation. Failing such registration, they will not be permitted to use or disclose such data after the expiry of the said period.

SEBI has further stipulated that after two years of PaRRVA becoming operational, IAs and RAs shall only communicate performance data that has been verified by PaRRVA. It has also provided that IAs and RAs seeking to communicate certified past performance data must enrol with PaRRVA by 3 August 2026, and they may communicate such data only up to 3 May 2028.

SEBI has additionally revised the composition of the oversight committee for PaRRVA and the PaRRVA Data Centre, providing for representation from relevant stakeholders along with independent members, with a majority comprising independent members.

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