

Clarification on the SEBI Circular on Investment Advisers dated 26th September 2024

The said SEBI Circular stipulates that the members of the Institute of Cost Accountants of India who provide investment advice to their client **incidental to their professional services** are exempted from obtaining registration under the Investment Advisers Regulations.

After going through the same and the FAQs on SEBI (IA) Regulations 2013, there can be two scenarios to understand the '**INCIDENTAL**' activity:

Scenario 1: A Practicing Cost Accountant as part of his consultancy assignment is providing advice to his client for investing in a particular equity / security then it will be treated as **incidental to his profession** as a Consultant. He shall be exempted from obtaining registration under the Investment Advisers Regulations of SEBI.

Scenario 2: The Cost Accountant is providing 'Investment Advisory Services' in Securities as an activity or business to clients or investors then it will **not be treated incidental** to his main activity. He shall be required to get registration as an Investment Adviser.

For registration as Investment Adviser under the SEBI, the member may go through the FAQs on SEBI (IA) Regulations 2013.
