

CIRCULAR

HO/38/12/11(1)2025-MIRSD-POD/ I/73/2025

October 30, 2025

To,

All Registered Investment Advisers

All Registered Research Analysts

Investment Adviser Administration and Supervisory Body (IAASB)

Research Analyst Administration and Supervisory Body (RAASB)

Madam / Sir,

Sub: Ease of doing business – Interim arrangement for certified past performance of Investment Advisers and Research Analysts prior to operationalisation of Past Risk and Return Verification Agency (“PaRRVA”)

1. SEBI, vide circular dated April 4, 2025, specified the framework for creation and operationalization of PaRRVA in order to address the demand of Investment Advisers (“IAs”) and Research Analysts (“RAs”) to display their performance. PaRRVA will carry out the verification activities prospectively for the period post on-boarding of the IAs/RAs with PaRRVA
2. SEBI has received representations from the Industry associations of IAs/RAs to facilitate IAs/RAs to communicate past performance data to clients for the period prior to operationalisation of PaRRVA.
3. Considering the representation of the industry, as an interim arrangement, the following has been decided:
 - a) IAs/RAs may provide past performance data certified by a member of ICAI/ICMAI to a client (including prospective client) only on specific request of such client;

- b) Such past performance data shall be communicated to clients (including prospective clients) on a one-to-one basis and such past performance data shall not be made available to general public through public media/website of IA/RA or any other mode.
- c) IAs/RAs who wish to communicate certified past performance data to clients (including prospective clients) must enrol with PaRRVA within three months of its operationalization, else such IAs/RAs will not be able to communicate certified past performance data to clients post three months from the date of operationalization of PaRRVA.
- d) The applicable period for such past performance data shall be prior to the date of operationalization of PaRRVA. Accordingly, the performance for the period subsequent to the date of operationalisation of PaRRVA shall only be advertised or provided to client using risk and return metrics verified by PaRRVA.
- e) Any communication of such past performance data shall be accompanied with the following disclaimer:

“The performance data presented herein are not verified by Past Risk and Return Verification Agency (PaRRVA) or any other agency recognized by SEBI for this purpose. The performance data presented herein may not be comparable to performance data of any other IA/ RA. Computation of the performance may vary across the industry. Users are requested to apply their due diligence before making investment decisions on the basis of the given past performance data. Past performance is no guarantee of future results. Investment in securities is subject to market risk. Registration with SEBI or enlistment with IAASB or RAASB (as the case may be) is not a guarantee or assurance of future returns. ”



- f) After two years from the date of operationalisation of PaRRVA, IAs/RAs will be permitted to communicate/display only PaRRVA verified risk and return metrics and will not be permitted to use past performance data related to the period prior to the date of operationalisation of PaRRVA, in any communication to clients (including prospective clients).
4. IAASB/RAASB is hereby directed to specify the templates in which the certified past performance data shall be communicated, within one month of the date of this Circular, in consultation with Industry Standard Forums for IAs and RAs and SEBI.
5. It may be noted that contravention of the provisions of this circular will make an entity liable for enforcement actions, including summary proceedings “under Regulation 30A.(1)(c) of SEBI(Intermediaries) Regulations, 2008 which states that a person found to have made claim(s) of return or performance in respect of or related to a security or securities, unless otherwise permitted by the Board to make such claim(s) shall be liable for summary proceedings.
6. This circular is issued in exercise of powers conferred under Section 11(1) of Chapter IV of the Securities and Exchange Board of India Act, 1992 and Regulation 30A of the SEBI (Intermediaries) Regulations, 2008, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
7. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars.

Yours faithfully,

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