

March 23, 2020

IAAIF/ADV/2019-20/003

Shri S. V. Muralidhar Rao
Executive Director
Investment Management Department
Securities and Exchange Board of India
SEBI Bhavan,
“G” Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Sub: Intimation in relation to Business Contingency Plan (BCP) measures with respect to the coronavirus (COVID-19) and possible impact on SEBI registered Alternative Investment Fund (AIFs) operations.

Dear Mr. Rao,

Greetings from Indian Association of Alternative Investment Funds (IAAIF)!

In light of the current situation and in order to control the spread of the coronavirus (COVID-19), the Brihan Mumbai Municipal Corporation (“BMC”) has already asked private firms in the city to completely shut down. COVID-19 has already been characterized a ‘Pandemic’ by the World Health Organization (“WHO”). Further the authorities have decided to discontinue operations of local trains in Mumbai, where Head Offices of most of the AIFs are located.

Considering the severe consequences of the Pandemic, AIFs in Mumbai were already working with minimum staff operating from Office(s) and from today will be completely shut down till March 31, 2019 or till the receipt of instruction from BMC/State Government/Central Government. Similar situation could also be faced by AIFs located across India. All the corporate groups are advising employees to work from home, to the extent possible, considering the potential health hazard(s) due to COVID-19. AIFs have always endeavored to comply with all the applicable SEBI (Alternative Investment Funds) Regulations, 2012 and the SEBI circulars issued from time to time. However, under these circumstances, when all the staff, are required to work from home, it could be difficult to fully adhere to the regulatory requirements/prescribed regulatory deadlines. The Registrar and Transfer Agents and other service providers such as fund accountants, custodians etc., are also impacted as their employees are also required to work from home. AIFs and other service providers would therefore be functioning in a BCP mode.

In such a case the AIFs will not be able to meet the following requirements:

A] Investor related transactions

1. Since it may not be possible to accept physical contribution/subscription agreements (transactions requests), we may accept such transactions from registered email ids of individual investors and from emails of non-

individual investors and the processing of such transactions would be undertaken on a best effort basis. Digital transactions may be processed in the ordinary course and physical documents may/may not be available even after the situation settles.

2. There may be delays in the processing of financial transactions accepted by the AIFs.
3. Non-financial transactions may get delayed / may not be processed.
4. Physical / electronic account statement may get delayed / may not be delivered.
6. Head Offices / Branches / Contact Centre's of AIFs may not be able to function to their existing capacities, resulting in deficiencies in meeting service standards / servicing unit holders.
7. If the situation aggravates, the AIFs/ service providers may be faced with 'force majeure' situations and in such extreme scenarios, AIF may be required to declare a working day as non-business day across industry, in consultation with the Trustees, even if banks and stock exchanges are functional on that day.

B] Investment related activities

As the Office premise is not available for employees, AIFs are not able to conduct dealing operations from its premise and hence, access controls presently exercised in dealing rooms shall not be available at alternate locations such as residence of staff. Accordingly, records for submission of mobile phones etc. may not be feasible. Dealers and Fund Managers have been instructed to strictly comply with the regulatory requirements and not indulge in any activities, which result in non-compliance.

However, AIFs dealers will endeavor to execute orders through electronic modes such as emails, Reuters Messenger / Bloomberg chats etc.

C] Adherence to Other Periodic Compliances

1. There may be delay in filing of monthly reports on the SEBI Portal, Half Yearly Private Placement Memorandum updation, filing of Compliance Test Report with Trustee, Sponsor and SEBI, filing of data w.r.t. Securities Transaction Price Index among others.

D] Submission /Request

1. In ability of the AIFs, if any, to comply with some of the regulatory requirements and/or adhere to the regulatory timelines stipulated by SEBI (Alternative Investment Funds) Regulations, 2012 and SEBI circulars issued from time to time under the current unusual / unprecedented situation arising from corona virus pandemic may kindly be viewed leniently and as an exceptional situation beyond the control of the AIFs, without considering the same as non-compliance or breach of SEBI Regulations and SEBI Circulars.
2. All regulatory reports/submissions may be permitted by way of an e-mail in lieu of submission of hard copy/uploading on SEBI portal.

In addition, we would be grateful, if you could grant extension of time for filing of monthly reports on the SEBI Portal, Half Yearly Private Placement Memorandum updation, filing of Compliance Test Report with Trustee, Sponsor and SEBI, and filing of data w.r.t. Securities Transaction Price Index among others.

3. As per SEBI Circular No. CIR/CFD/CMD1/168/2019 dated December 24, 2019, has mandated to formulate the Stewardship Policy for all Mutual Funds and all categories of AIFs as an important step towards improved corporate governance in the investee companies and gives a greater fillip to the protection to the interest of the investors in such companies. While AIFs will do their best to implement the above guidelines, we request SEBI to grant the additional time to AIFs till June 01, 2020 for the full adherence to this guideline.

We would like to reiterate that the AIFs would do their best to ensure compliance with the regulations. Also, as the situation evolves, we will have more clarity and hence would like to request to provide single point of contact to raise any matters where deviation may be required.

While AIFs will do their best to ensure the compliance with SEBI regulations, in the current unprecedented situation, exception as listed above and other different situations may be experienced. It is a requested that SEBI consider these events as extra-ordinary conditions and as long as the AIFs and the spirit is right and necessary checks and balances have been followed subsequently, if possible, SEBI will accept the same during their respective audits of the AIFs and not treat them as violations. Also, as the situation evolves, we will have more clarity and hence would like to request to provide single point of contact to raise any matters where deviation may be required.

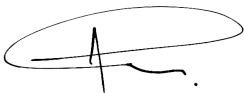
We request for an urgent meeting/ call to discuss the above. We would be happy to provide any further inputs on this matter, if required by you.

We look forward for SEBI's kind support and guidance in this matter

Thanking You,

Yours Faithfully,

For Indian Association of Alternative Investment Funds (IAAIF)



Aditya Gadge
Principal Advisor