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ALTERNATIVE INVESTMENT FUND

SEBI EXTENDS TIMELINE FOR ANGEL FUNDS TO COMPLY WITH ACCREDITED INVESTOR MANDATE

Securities and Exchange Board of India ("**SEBI**"), *vide* its circular dated September 07, 2026, has extended the timeline for Angel Funds registered with SEBI on or before September 10, 2025 to comply with the Accredited Investor mandate, pursuant to representations received from the Alternative Investment Fund ("**AIF**") industry requesting additional time for ease of compliance. The circular amends Para 8.1.2 of the SEBI Master Circular for AIFs dated June 03, 2026 ("**AIF Master Circular**").

By way of background, the SEBI (Alternative Investment Funds) Regulations, 2012 ("**AIF Regulations**") were amended on September 09, 2025 to prescribe a revised regulatory framework for Angel Funds, pursuant to which Angel Funds granted registration post September 10, 2025 are mandated to on-board and offer investment opportunities exclusively to Accredited Investors.

Angel Funds registered on or before September 10, 2025 were provided a transitional period to comply with the mandate by September 08, 2026. The deadline for such transitional Angel Funds has now been extended to March 31, 2027. Accordingly, Para 8.1.2 of the AIF Master Circular now provides that Angel Funds registered with SEBI on or before September 10, 2025 shall:

(a) implement the Accredited Investor mandate on or before March 31, 2027 and shall not offer investment opportunities to more than 200 non-Accredited Investors during this period;

(b) not accept contribution for investment in an investee company from non-Accredited Investors post March 31, 2027; and

(c) allow existing investors to continue to hold investments already made in the Angel Fund as per the terms of the PPM and/or fund documents.

All other provisions of Chapter 8 of the AIF Master Circular remain unchanged.

To read the Circular click here

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