

*Thinking of Becoming an RIA?*

# SEBI REGISTERED INVESTMENT ADVISOR(RIA)



# What is a Registered Investment Adviser (RIA)?

A Registered Investment Advisor (RIA) is a financial professional or firm registered with the Securities and Exchange Board of India (SEBI) under the SEBI (Investment Advisers) Regulations, 2013.

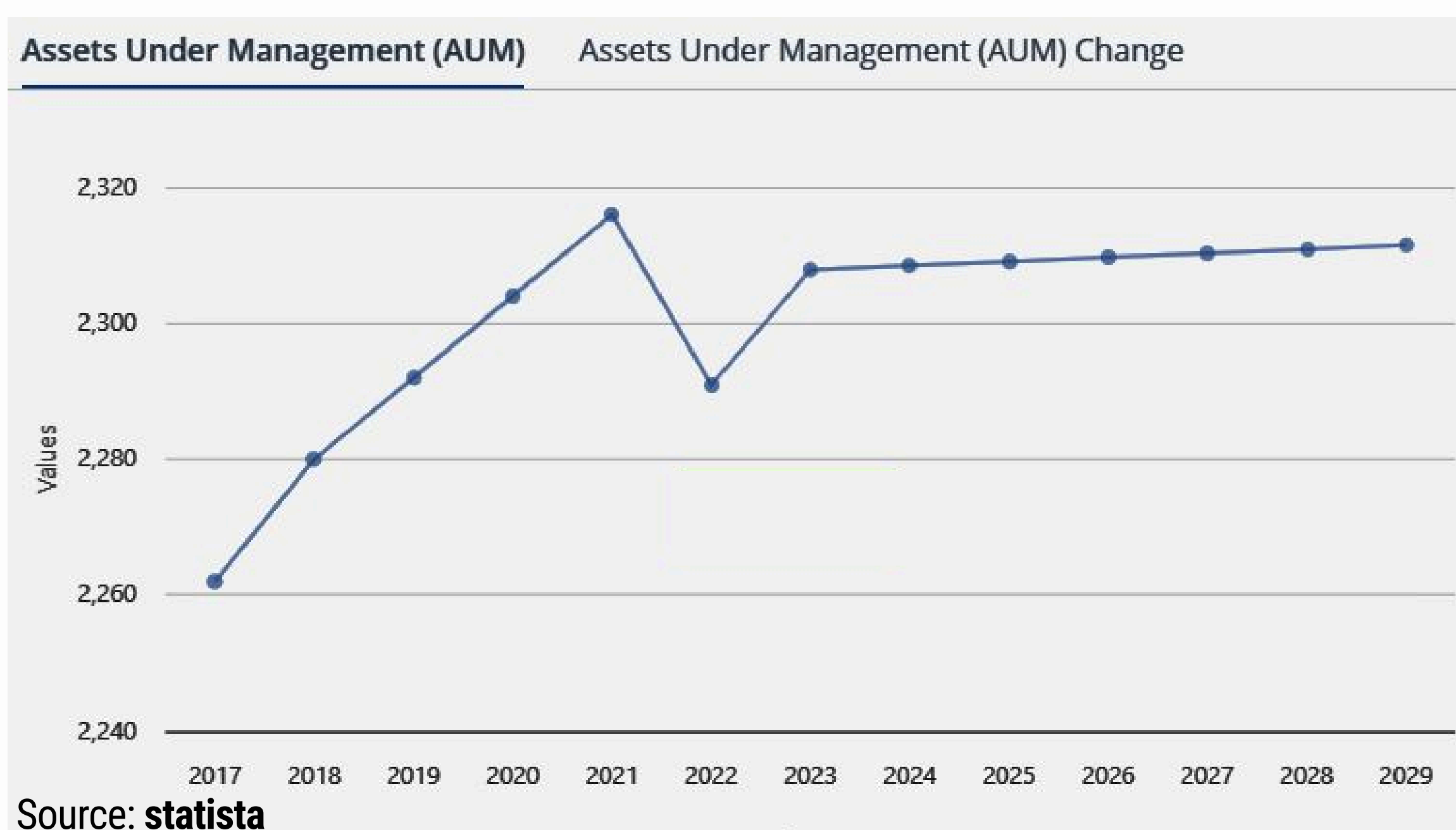
They provide personalized financial advice and portfolio management services, primarily for high-net-worth individuals (HNWIs) to maximize their wealth.

RIAs have a fiduciary responsibility, meaning they are legally obligated to act in their clients' best interests.



# Market Scope

The Indian financial advisory market is experiencing robust growth. Assets under management (AUM) in the financial advisory segment are projected to reach approximately US\$384.85 billion in 2025.



Despite this growth, India has a relatively small number of SEBI-registered investment advisers (RIAs)—just around 1,300 as of March 2023, compared to over 133,000 mutual fund distributors.

This indicates a significant supply-demand gap and a vast untapped market for professional advisory services.

# Key Responsibilities of RIAs

- ① **Fiduciary Duty-** RIAs have a legal and ethical obligation to act in the best interests of their clients
- ② **Registration-** RIAs are registered with regulatory body SEBI to ensure compliance.
- ③ **Investment Advice-** Give personalized advice based on your goals and risk level.
- ④ **Portfolio Management-** RIAs help manage and grow your investment portfolio.
- ⑤ **Financial Planning-** RIAs provide comprehensive financial planning services, including retirement planning, estate planning, and wealth management.
- ⑥ **Transparency-** Must stay honest, avoid hidden agendas, and disclose any conflicts.

# SEBI Regulations for RIAs

## 1 Mandatory Registration

Anyone offering investment advice in India must register with SEBI under the SEBI (Investment Advisers) Regulations, 2013.

## 2 Eligibility Criteria

- **Relevant Experience:** Minimum five years of relevant experience.
- **Certification:** Mandatory NISM-Series-X-A (Level 1) and NISM-Series-X-B (Level 2) certifications, to be renewed every 3 years.
- **No Criminal Record:** No prior convictions for economic offenses or violations of securities laws.
- **Net Worth:** At least ₹1 lakh for individuals and ₹25 lakhs for non-individuals.
- **No Conflict of Interest:** RIAs cannot be stockbrokers, sub-brokers, or depository participants, or associated with them.

## 3 Fee Structure

RIAs must adopt a fee-only model, charging clients directly without earning commissions from product providers.

# SEBI Regulations for RIAs

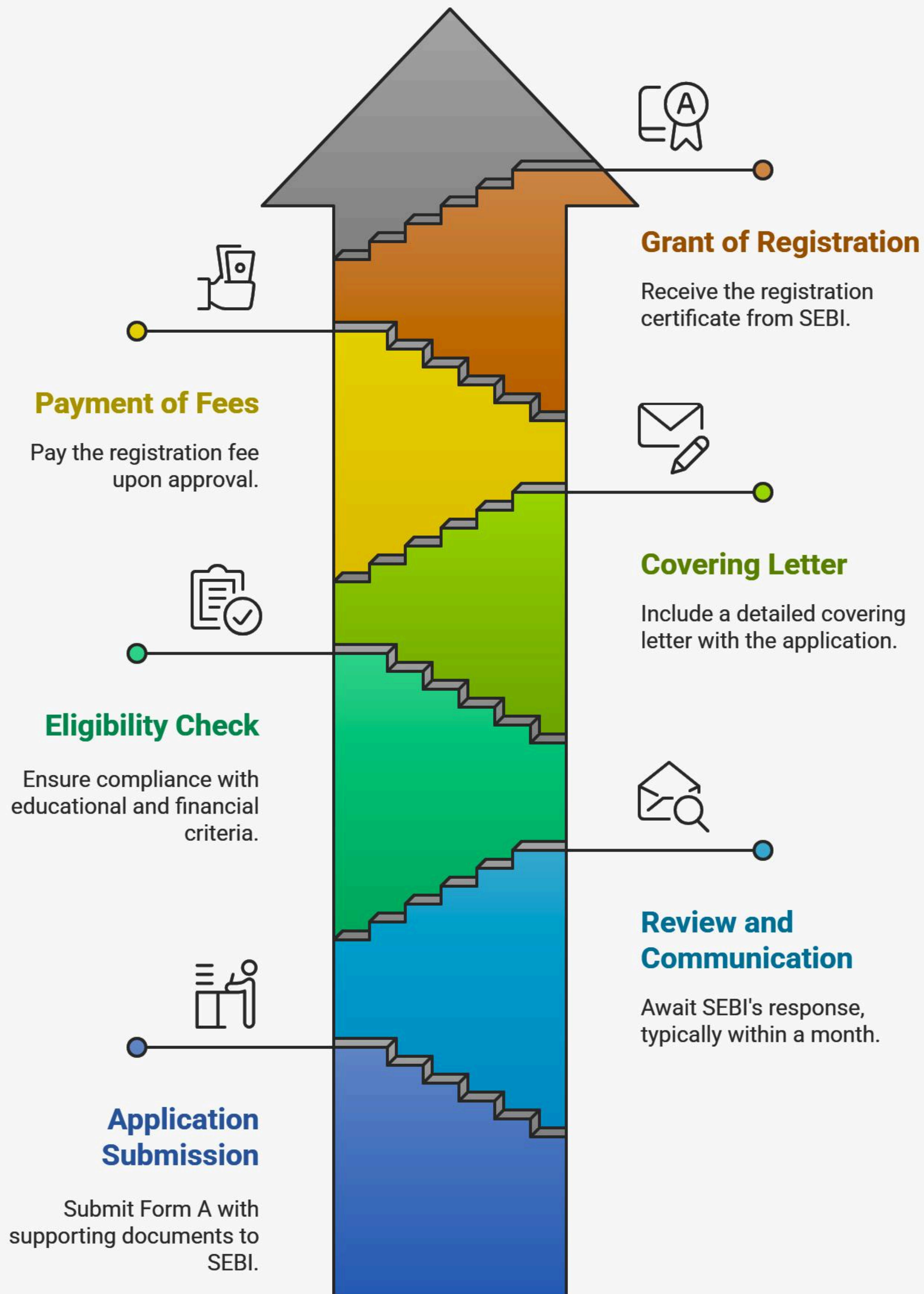
## ④ Fiduciary Duty

RIAs are obligated to act in the best interests of their clients, ensuring transparency and avoiding conflicts of interest.

## ⑤ Other Important Aspects

- **Annual Audit:** RIAs are required to conduct yearly audits to ensure compliance with SEBI regulations.
- **Client Risk Profiling and Suitability Analysis:** RIAs must conduct client risk profiling and suitability analysis.
- **Regular Reporting and Inspections:** RIAs are subject to regular reporting and SEBI inspections.
- **Transition to Corporate Status:** RIAs may need to register as non-individual advisors (corporate RIAs) if they manage a certain number of clients or earn a specific amount in fees annually.

# Procedure for SEBI Registration



# Compliance Requirements

- **Annual Compliance Audit:** All RIAs must undergo an annual compliance audit conducted by a practicing Chartered Accountant or Company Secretary.
- **Audit Timeline:** The audit must be completed within six months from the end of the financial year.
- **Reporting:** Any adverse findings and the action taken must be reported to BASL (BSE Administration & Supervision Ltd.) within one month of the audit report, but not later than October 31st each year.
- **Client Segregation Certificate:** RIAs providing both advisory and distribution services need an auditor's certificate confirming compliance with client-level segregation rules.
- **Appointment of Compliance Officer:** Companies and LLPs must appoint an in-house compliance officer.
- **Ongoing Updates:** RIAs must regularly check SEBI updates and promptly inform SEBI of any material changes in their details.

# Future of RIAs

## 1 Growth Prospects

RIA market is expected to grow significantly, driven by rising investor awareness, regulatory support for transparent advisory models.

## 2 Regulatory Evolution

Ongoing regulatory enhancements aim to further protect investors and ensure high standards of professionalism and transparency.

## 3 Digital Transformation

Technology is enabling RIAs to serve clients more efficiently, offer customized solutions, and expand their reach.

## 4 Increased Demand

As financial products become more complex, the need for trustworthy, client-centric advice will continue to rise.

# Why aspiring investment advisers should consider RIA Registration

## 1 Credibility & Trust

SEBI registration enhances credibility and builds client trust.

## 2 Professional Growth

RIAs operate at high ethical and professional standards, opening doors to a wide range of clients and services.

## 3 Market Opportunity

With growing financial literacy and regulatory push, the demand for SEBI-registered advisers is set to increase.

## 4 Value Addition

RIAs can offer holistic financial planning, going beyond mere product sales to comprehensive wealth management.

# Why you should Choose US?

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