



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

DEPUTY GENERAL MANAGER
INVESTMENT MANAGEMENT DEPARTMENT
DIVISION OF FUNDS-1

SEBI/HO/IMD/DF1/OW/P/2021/000007504/1

March 30, 2021

Mr. Kartik Kini

Waterfield Financial and Investment Advisors Private Limited
142, 14th Floor, Maker Chambers VI
220, Jamnalal Bajaj Marg, Nariman Point
Mumbai-400021

Dear Sir,

Sub: Request for interpretative letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 in connection with the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 by Waterfield Financial and Investment Advisors Private Limited

1. This has reference to your letter dated December 31, 2020 seeking an interpretative letter under the SEBI (Informal Guidance) Scheme, 2003.
2. In your letter under reference you have represented Waterfield Financial and Investment Advisors Private Limited as a SEBI registered Investment Adviser with registration number INA000001811.
3. In that context, you have sought an interpretive letter under the SEBI (Informal Guidance) Scheme, 2003 from SEBI on the following issues:
 - i. Whether WFPL's clients can, at their volition, grant a Power of Attorney to WFPL, authorising WFPL to: (a) make inquiries concerning the client's account with the custodian (such as account balances, transaction details, etc.); and (b) liaise with the Client's custodian and receive information from / transmit information to the custodian, in relation to the client's investment decisions / client's investment products; under the POA; at all times, after receiving the written consent and instructions from the client?
 - ii. Whether the said arrangement between WFPL and its clients whereby WFPL's role, pursuant to the POA, is limited to the activities set out in (i) above would be considered as 'implementation services' in terms of the SEBI IA Regulations?



अनुवर्ती :
Continuation : 1

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4. Our Comments

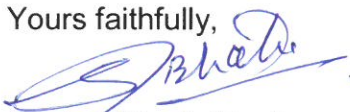
The submissions made in your letter have been considered, and without necessarily agreeing with your analysis, our view on the issues raised in your letter are as under:

- i. Regulation 2(1)(m) of the SEBI (Investment Advisers) Regulations, 2013 (IA Regulations) defines Investment Advisers (IA) as under:

"investment adviser" means any person, who for consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called

- ii. Thus, in terms of the IA Regulations, an IA is required to render investment advice to its client and not manage funds or securities on behalf of the client.
- iii. Considering the scope of activities allowed to an IA under the IA Regulations, as stated above, grant of a PoA has neither been envisaged nor appears desirable for an IA.
5. This above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to different interpretation. Further this letter does not express decision of the Board on the questions referred.
6. You may note that the above views are expressed only with respect to the clarification sought in your letters under reference with respect to the SEBI (Investment Advisers) Regulations, 2013 and do not affect the applicability of any other law and requirements of any other SEBI Regulations, guidelines and circulars administered by SEBI or of the laws administered by any other authority.

Yours faithfully,


Sanjay Singh Bhati