**CIRCULAR**

**F. No. IFSCA- AIF/120/2026-Capital Markets/11092026** **September 11, 2026**

To,

**All Fund Management Entities (FMEs) in the International Financial Services Centres (IFSC)**

Dear Sir/ Madam,

**Subject: Extension of validity of expired placement memorandum – reg.**

1. As per regulation 19 and regulation 31 of the International Financial Services Centres Authority (Fund Management) Regulations, 2025 (hereinafter referred to as "FM Regulations"), the placement memorandum of a Venture Capital Scheme and a Restricted Scheme, respectively, shall be valid for a period of twelve (12) months from the date of communication from the Authority to the FME that the placement memorandum has been taken on record. The FME is required to declare the first close of the scheme, during the aforesaid period, by achieving at least the minimum size of corpus as specified under sub-regulation (1) of regulation 23 in case of Venture Capital Schemes, or sub-regulation (2) of regulation 35 in case of Restricted Schemes.

2. Reference may also be drawn to sub-regulation (3) of regulation 19 and sub-regulation (3) of regulation 31 of FM Regulations, which, *inter alia*, state that if a FME fails to achieve the specified minimum size of corpus within the specified time period, it shall have the option to extend the validity of the placement memorandum, wherein each such extension shall be for a period of six (6) months starting from the day after the expiry of the existing validity of the placement memorandum, by filing an application at such time when the placement memorandum is still valid.

3. In this context, the Authority has received representations regarding extension of the validity of the placement memorandum even if the application is filed after the expiry of the validity period. Accordingly, upon examination, it has been decided that the Authority may also extend the validity of an expired placement memorandum even if the application is filed after the expiry of the validity period, subject to the following: –

   (a) the application seeking such extension, to be filed by the FME, shall be accompanied by –

      (i) an **extension fee** equal to fifty per cent. of the fee applicable for filing a fresh scheme of that nature under the FM Regulations, for each period of six-month extension that may be required under this Circular; and

      (ii) a **late fee** equal to fifty per cent. of the applicable extension fee;

   (b) the FME shall not make any material changes in the placement memorandum with respect to the name, investment objective, investment strategy, structure (open-ended/close-ended), category or nature of the scheme.

   *Explanation.* – For the removal of doubts, it is clarified that in case of any such material change, the FME is required to file a fresh placement memorandum in accordance with the FM Regulations.

   (c) the FME shall furnish to the Authority such additional information, documents, or declarations as the Authority may require for granting such extension; and

   (d) the late fee payable under this Circular shall be borne entirely by the FME and shall not be charged, recovered, reimbursed or otherwise passed on, directly or indirectly, to/from the scheme or its investors.

4. An extension granted in terms of clause 3 above shall –

   (a) ordinarily be valid for a period of six (6) months starting from the day after the expiry of such placement memorandum. For the cases wherein the application for extension is made after the expiry period of six months, the authority may grant extension for a longer period comprising of additional six-month blocks, as applicable, subject to payment of the extension fee and late fee for such period; and

(b) be without prejudice to the right of the Authority to take any action as it may deem fit, under the provisions of law, against the FME and/or its Key Managerial Personnel for non-compliance pertaining to regulatory requirements in matters such as, accepting new capital commitments, issuing units to investors, onboarding new investors, undertaking investments, during the expiry period.

5. This Circular is issued in exercise of the powers conferred under sections 12 and 13 of the International Financial Services Centres Authority Act, 2019, read with regulation 146 of the FM Regulations, and shall come into force with immediate effect.

A copy of this circular is available on the website of the International Financial Services Centres Authority at www.ifsca.gov.in.

Yours faithfully,

**Sd/-**

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