



## **SEBI Proposes Rationalisation of Executive Remuneration Disclosure Framework for AMCs**

The Securities and Exchange Board of India (SEBI), through its Consultation Paper dated **June 10, 2026**, has proposed a review of the executive remuneration disclosure requirements applicable to Asset Management Companies (AMCs). The proposal seeks to balance transparency for investors with employee privacy and operational efficiency by rationalising the disclosure framework prescribed under the SEBI Master Circular for Mutual Funds. Public comments on the proposals have been invited until **June 30, 2026**.

### **Analysis**

- Under the current regime, AMCs are required to disclose on their websites the remuneration of the CEO, CIO and COO (or equivalent officers), details of the top ten employees by remuneration, employees exceeding prescribed remuneration thresholds, the ratio of CEO remuneration to median employee remuneration, and AAUM growth metrics. Listed AMCs are additionally subject to disclosure obligations under the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.
- SEBI noted that executive remuneration disclosures play an important role in promoting corporate governance and transparency. However, industry representations, including those made by AMFI, highlighted concerns regarding the extent and relevance of the current disclosure requirements. Stakeholders argued that mutual funds operate through a trust-based structure where investors are unitholders rather than shareholders, making detailed employee-level remuneration disclosures less relevant than in listed companies.
- Key concerns raised include employee privacy risks arising from public disclosure of compensation, potential misuse of remuneration data, and competitive disadvantages in attracting and retaining talent compared to sectors such as PMS and AIFs where similar disclosure requirements are not applicable. Industry participants also contended that investors typically base investment decisions on factors such as scheme performance, risk management, and costs rather than individual employee remuneration.
- To address these concerns, SEBI has proposed replacing employee-wise remuneration disclosures with consolidated disclosures. Instead of publishing names and remuneration of specific employees, AMCs would disclose the aggregate remuneration paid to specified employee categories along with the number of employees covered within each category. The existing disclosure requirements relating to CEO-to-median remuneration ratio and AAUM growth metrics would continue unchanged.



- SEBI has also proposed a separate framework for fund manager remuneration disclosures. Under the proposal, scheme-level consolidated remuneration details of fund managers would not be publicly disclosed but would be made available upon request to investors who hold units in the relevant scheme. The disclosure would indicate the number of fund managers and the aggregate remuneration attributable to them.
- The proposed framework would reduce compliance and administrative burdens associated with preparing employee-specific remuneration disclosures.
- Removal of name-wise disclosures would strengthen employee privacy protections and may improve talent retention within the mutual fund industry.
- Investors would continue to receive visibility into overall remuneration practices through category-based disclosures while avoiding disclosure of individual compensation details.
- AMCs may need to establish internal processes for verifying and responding to investor requests seeking scheme-level fund manager remuneration information.
- **Key Takeaways**
  - SEBI has proposed replacing individual employee remuneration disclosures with consolidated category-wise disclosures.
  - Existing disclosures relating to CEO-to-median employee remuneration ratio and AAUM growth would continue.
  - Fund manager remuneration may be disclosed on a scheme-level basis only upon request from eligible investors.
  - The proposals aim to balance transparency, investor protection, employee privacy, and operational efficiency.
  - Public comments on the consultation paper may be submitted to SEBI until **June 30, 2026**.
- The notification is attached herein.

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