OPERATIONAL GUIDELINES FOR FOREIGN PORTFOLIO INVESTORS, DESIGNATED DEPOSITORY PARTICIPANTS AND ELIGIBLE FOREIGN INVESTORS

These consolidated operational guidelines ("Operational Guidelines") for foreign portfolio investors (FPIs) and Designated Depository Participants (DDPs) are issued to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 ("the Regulations").

The existing Circulars, FAQs, operating guidelines, other guidance issued by SEBI (Annexure-A) shall stand withdrawn with the issue of these Operating Guidelines. With respect to the directions or other guidance issued by SEBI, as specifically applicable to FPIs, shall continue to remain in force.

Terms not defined in these Operational Guidelines will have the same meaning as provided under the Regulations.

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PART A - FPI REGISTRATION RELATED ACTIVITIES

1. Change in category of FPIs upon notification of the Regulations

The process for re-categorisation of FPIs shall be as under:-

i. All existing FPIs registered as Category I FPIs under the SEBI (Foreign Portfolio Investors) Regulations, 2014 (2014 Regulations) shall be deemed to have been registered as Category I FPIs under the Regulations.

ii. All existing FPIs registered as Category III FPIs under the 2014 Regulations shall be deemed to have been registered as Category II FPIs under the Regulations.

iii. For sake of clarity, there will be no deemed re-categorization of registration for eligible entities from Category III FPI registration under 2014 Regulations to Category I FPI under the Regulations.

iv. All existing FPIs registered as Category II FPIs under the 2014 Regulations shall be deemed to have been registered either as Category I FPI or Category II FPI under the Regulations, depending on the eligibility criteria met by such FPIs under the Regulations, as illustrated below:

Table 1

Existing Categories as per 2014 Regulations	**New Categories as per the Regulations**
Appropriately regulated broad based funds such as mutual funds, investment trusts, insurance/reinsurance companies;	(i) All Insurance entities – Category I; (ii) Funds from FATF member countries – Category I ; (iii)Funds from non-FATF member countries – Category II
Appropriately regulated persons such as banks, asset management companies, investment managers/ advisors, portfolio managers, broker dealers and swap dealers	All are re-categorized as Category I
University funds and pension funds	All are re-categorized as Category I
university related endowments already registered with the Board as foreign institutional investors or sub-accounts	All are re-categorized as Category I
Unregulated funds/entity categorized as Cat II by virtue of Regulated Investment Manager also registered as Category II FPI	Unregulated funds/entity where regulated Investment Manager is from: (i) FATF member country and also registered as Category I FPI – Category I (ii) non-FATF member country – Category II

v. No incremental fees is payable upon deemed re-categorization.

vi. To ensure transition of existing FPIs, re-categorization of registration shall be done by NSDL in consultation with the respective DDPs.

After the exercise of deemed re-categorisation as mentioned above, an FPI desirous to be re-categorized from Category II FPI to Category I, can request to DDP along with requisite information, documents and payment of applicable fees.

2. Guidance for Processing of FPI applications by DDPs

FPI applicant shall submit duly filled prescribed application form (Annexure B) supported by required documents and applicable fees. The application form should be duly signed with all signatures in original. Where the application form is incomplete, or lacks clarity, the applicant shall be advised by the DDP to clarify or furnish the desired information within a reasonable time.

However, DDP may continue to accept in–transit FPI applications received in Form A under 2014 Regulations (without insisting for new form) for a period of 90 days from date of issuance of these operational guidelines. DDP may however satisfy itself on any incremental due diligence requirement to process the application under the Regulation.

DDPs shall consider the following checks for determination of eligibility at the time of processing FPI application:-

i. Country Check - The residency status of the FPI applicant may be ascertained from the place of incorporation/ establishment through appropriate document or information such as any identification / registration document issued by applicable regulator or the Income Tax authority. The country code in the FPI registration number shall be the country of its registered/residence address. For due diligence, DDP may verify the country as below –

Table 2

Sl. No.	Countries	Source for verification from website of
(a)	List of countries where the securities market regulator is a signatory to IOSCO MMOU shall be verified by the DDP.	IOSCO
(b)	List of countries that have bilateral MOU with SEBI	SEBI
(c)	The list of countries whose Central Bank is a member of the BIS	BIS.
(d)	List of countries that are listed in the public statements issued by FATF and list of FATF member country	FATF.

With respect to the eligibility of FPI applicants from a country where there are separate securities market regulators for different provinces/ states within that country, applicants from only those provinces / states whose securities market regulator is a signatory to IOSCO MMOUs or has entered into a Bilateral Memorandum of Understanding with SEBI would be eligible for grant of registration as FPI.

Any reference in the Regulations and in these Operating Guidelines, an entity 'from a FATF member country' will mean that the entity has its primary place of business in a FATF member country and, if regulated, is appropriately regulated in a FATF member country.

ii. Non-resident Indian (NRI) / overseas citizens of India (OCI) / resident Indians (RI) check - DDP may obtain requisite declaration from applicant for satisfying eligibility criteria under regulation 4 of the Regulations and the conditions mentioned below relating to NRIs, OCIs and/or RIs being constituents of the applicant.

Where NRIs or OCI or RIs are constituents of the applicant –

a. the contribution of a single NRI or OCI or RI shall be below twenty-five percent of the total contribution in the corpus of the applicant;

b. the aggregate contribution of NRIs, OCIs and RIs shall be below fifty percent of the total contribution in the corpus of the applicant.

   Explanation: The contribution of RI is permitted, if made through the Liberalised Remittance Scheme (LRS) approved by Reserve Bank of India in global funds whose Indian exposure is less than 50%.

c. the NRIs, OCIs and RIs shall not be in control of the applicant. This is not applicable if the applicant is an 'offshore fund' for which 'No Objection Certificate' has been issued by the Board in terms of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, or is controlled by an Investment Manager which is controlled and/or owned by NRI or OCI or RI if the following conditions are satisfied:
   i. such Investment Manager is appropriately regulated in its home jurisdiction and registered with the Board as a non-investing FPI, or
   ii. such Investment Manager is incorporated or setup under the Indian laws and appropriately registered with the Board.

d. The above shall not apply to non-investing FPI or if the applicant proposes to invest or invests only in units of schemes floated by mutual funds in India.

e. An applicant or an existing FPI not meeting above requirements shall comply within a period of two years from the date of registration or by 31st December 2020, whichever is later. A foreign portfolio investor who remains non-compliant even after the period specified above shall be prohibited from making any fresh purchase of securities and such foreign portfolio investor shall liquidate its existing position in the Indian securities market within a period of one hundred and eighty days.

f. In case of temporary breach of above investment limits after December 31. 2020, the foreign portfolio investor shall comply with the eligibility conditions within ninety days of its breach. In case the foreign portfolio investor remains non-compliant with the said requirement even after ninety days, then no fresh purchases shall be permitted and such foreign portfolio investor shall liquidate its existing position in Indian securities market within a period of the next one hundred and eighty days.

iii. Fit and proper person check - DDP may obtain declaration from the applicants about their meeting eligibility criteria specified under Regulation 4 of the Regulations and shall exercise its due diligence, as applicable.

iv. Category I FPI check - DDP may verify the eligibility of Category I FPI (under Regulation 5(a)(i)) based on relevant details under which the entity has been established – e.g. Government Charter, Act, Legislation, the shareholding pattern provided by the FPI applicant.

v. Regulatory check - The DDP may verify if the applicant is regulated or supervised by the securities market regulator or banking regulator and that its registration/license granted by its regulator has not been cancelled and is still valid through any one of the following:

a) Obtain a copy of certificate issued by such regulator or;

b) verify the registration details directly from the registry or the website of such regulator.

Explanation: Certain type of structures in some of the jurisdictions permitted by SEBI in the past shall continue to be considered as appropriately regulated.

vi. Any past action taken by FPI applicant's regulator may not necessarily render such an applicant ineligible as long as such action did not result in cancellation of its registration. Further, if an FPI applicant, which is present in multiple jurisdictions, is suspended by one of its foreign regulator and if this suspension does not affect the entity or any of its affiliates' ability to trade in any other country around the world, DDP can consider such an applicant eligible for grant of FPI registration subject to fulfillment of applicable eligibility requirements.

vii. DDP shall mention name of its signatory(ies) in the FPI registration approval while communicating registration approval to the FPI.

viii. The applicant may also add the name of its investment manager/ umbrella fund/trustee, etc. as a suffix to its name.

3. Guidance for certain specific entities

i. Bank or Subsidiary of Bank applicant

An FPI applicant under bank category (other than a central bank) would be deemed to be appropriately regulated if it is regulated by the unified financial sector regulator in its home jurisdiction or by a banking sector regulator in its home jurisdiction.

In case an applicant/ its group entity is (i) bank or its subsidiary and has a bank branch/representative office in India or (ii) a central bank or its subsidiary, the respective DDP shall forward the application form to SEBI. SEBI would in turn request RBI to provide its comments. Based on the comments received from RBI, SEBI would notify the comments of RBI to DDP to consider while processing such applications. No such reference to SEBI/ RBI shall be required for continuance of registration.

In case a bank FPI applicant is regulated by the banking sector regulator in its home jurisdiction, but the central bank of that country is not a member of BIS, the FPI can seek registration under Category II.

ii. Insurance/Reinsurance entity

Insurance and reinsurance entities shall be deemed to be appropriately regulated for the purpose of the Regulations, if they are regulated or supervised by the relevant regulator in their concerned foreign jurisdiction in the same capacity in which they propose to make investments in India.

iii. Pension funds

Pension funds shall include superannuation or similar schemes that provides retirement benefits to employees/ contributors.

iv. Entities which is at least 75% owned, directly or indirectly by another entity under Regulation 5(a)(v)(B)

v. Appropriately regulated entities investing on behalf of clients

Appropriately regulated entities such as banks and merchant banks, asset management companies, investment managers, investment advisors, portfolio managers, insurance & reinsurance entities, broker dealers and swap dealers will be permitted to undertake investments on behalf of their clients as Category II FPIs in addition to undertaking proprietary investment by taking separate registrations as Category I FPI.

Where such entities are undertaking investments on behalf of their clients, Category II FPI registration shall be granted subject to following conditions:

i. Clients of FPI can only be individuals and family offices.

ii. Clients of FPI should also be eligible for registration as FPI and should not be dealing on behalf of third party.

iii. If the FPI is from a Financial Action Task Force member country, then the KYC including identification & verification of beneficial owner of the clients of such FPI should be done by the FPI as per requirements of the home jurisdiction of the FPI. FPIs from non-Financial Action Task Force member countries should perform KYC of their clients including identification & verification of beneficial owner as per Indian KYC requirements.

iv. FPI has to provide complete investor details of its clients (if any) on quarterly basis (end of calendar quarter) by end of the following month to DDP as below.

Table 3

Name of FPI-

FPI Registration number-

We herewith submit the investor details of our clients-

Details of clients				
Sr. No.	Name	Country	Address	Type (Individual/ Family office)

v. Investments made by each such client, either directly as FPI and/or through its investor group shall be clubbed with the investments made by such clients (holding more than 50% in the FPI) through the above referenced appropriately regulated FPIs.

vi. Applicant incorporated or established in an International Financial Services Centre:

The proviso under Regulation 4 of the Regulations will be applicable to those applicants incorporated or established in an International Financial Service Centre under SEBI (International Financial Services Centres) Guidelines and rules therein, as amended from time to time.

4. Multiple Investment Managers (MIM)

i. Where an entity engages multiple investment managers (MIM) for managing its investments, the entity can obtain multiple FPI registrations mentioning name of Investment Manager for each such registration. There should be external investment managers in case of MIM structures and such applicants can appoint different DDPs for each such registration. Investments made under such multiple registrations shall be clubbed for the purposes of monitoring of investment limits.

ii. In case of MIM structures, if the entity has already furnished registration details to a DDP at the time of its registration, then, the entity will not be required to again provide the registration details for each new FPI registration under this structure, unless there has been a change in the registration details provided to a DDP

earlier. However, such FPI need to provide the name of its Investment Manager at the time of request for new FPI registration along with the confirmation that information provided in earlier application is updated and valid. Such FPIs registered under MIM structure shall have the same PAN. Where the entity seeks registration under this structure with another custodian/DDP, the investor or existing custodian/DDP shall provide certified true copy of the application form to new custodian/DDP.

5. Continuance of Registration

i. FPIs who wish to continue with their registration for the next block of three years, should pay the fees to their DDPs and inform change in information, if any, as submitted earlier.

ii. In case of no change in information, FPIs shall give declaration that there is no change in the information, as previously furnished.

iii. FPI shall provide the additional information, if applicable, along with supporting documents including fees for continuance of its registration at least 15 days prior to current validity of its registration in order to facilitate a smooth continuance process. FPI is required to submit a reason for delay if any in delayed submission of such information/fees.

iv. If DDP is in receipt of registration fees prior to validity date but the due-diligence including KYC review is not complete by the validity date due to non-submission of information by the FPI, no further purchases may be permitted till the intimation of continuance is given by DDP.

v. Where the FPI has not paid fees for continuance of its registration, its FPI registration shall cease to be valid after the date, up to which, the last registration fees were duly paid by the FPI.

vi. An FPI cannot apply for continuance after expiry of its registration. However, if such entity intends to have FPI registration, it will have to make a fresh application for registration after surrender of its earlier FPI registration.

6. Certificate of Registration

The designated depository participant shall grant the certificate of registration, bearing registration number generated by National Securities Depositories Limited in a centralised manner.

7. Rejection of FPI application

i. A DDP may consider an FPI application, which has been previously rejected by another DDP. However, before considering such an application, the DDP shall ascertain the reasons for which the application was rejected. In case the application was rejected on technical grounds, the DDP shall ensure that such

deficiencies have been rectified by the applicant, before assessing the application afresh on its own merits. If the application has been rejected for any other reason, then the DDP shall assess the application on its own merit as per FPI Regulations.

ii. The depositories (NSDL and CDSL) shall maintain a database of FPI applicants. Every DDP shall input the details of FPI applicants in the database. Where an FPI application is rejected by a DDP, the DDP shall mention the reason for such rejection in the database, which would be accessible to all DDPs.

8. Obligations of DDPs:

i. Infrastructure: Every DDP shall have necessary infrastructure, including adequate office space, adequate and competent manpower and computer systems capability required to discharge its activities as DDP in compliance with Regulations and other guidelines, circulars, issued thereunder.

ii. Manual: Every DDP shall have a manual setting out systems and procedures to be followed for the effective and efficient discharge of its functions as a DDP.

iii. Monitoring of systems and controls: Every DDP shall have adequate mechanisms for the purposes of reviewing, monitoring and evaluating its controls, systems, procedures and safeguards.

9. Reporting:

i. Every DDP shall submit to SEBI monthly reports on application received from FPI applicants as per the format set out in Annexure C hereto and such other reports as may be required by SEBI. The report pertaining to a month may be submitted by DDPs to SEBI latest by 10th of the following month.

ii. Depository/DDP shall submit to SEBI monthly reports of the fees collected for all the FPIs registered by it as per the format set out in Annexure D hereto and such other reports as may be required by SEBI.

10. Name change

i. In case the FPI has undergone a change in name, the request for updation/ incorporation of new name should be submitted by the FPI to the DDP accompanied by documents certifying the name change. Such name change can be evidenced by:

- Information available on the website of the home regulator; or
- Certified copy of document(s) from home regulator; or

- Certified copy of document(s) from Registrar of Company (or equivalent authority) (wherever applicable) issued; or
- Where above is not applicable, a Board Resolution or equivalent authorizing the name change

ii. An undertaking by the FPI shall be given stating that it is a mere name change and does not involve change in beneficial ownership, category or structure. Where FPIs has delayed in submitting details of name change beyond 6 months, DDP shall provide details of all such instances with reasons.

iii. Upon receipt of the request for name change along with abovementioned documents, the DDP shall effect the change in name in the certificate. The DDP shall issue a letter and fresh registration certificate to such applicant acknowledging the change in name. NSDL shall make necessary arrangements for DDPs to provide fresh registration certificate as an acknowledgement from its database including a statement that the name change has been granted without prejudice to any tax liability/ implication in India.

iv. FPI shall forthwith apply for appropriate change in name in the PAN records, pursuant to its name change.

11. Surrender of Registration

i. DDP shall seek a "No Objection Certificate" (NOC) from the Board to process such surrender after ensuring that the holdings of the concerned applicant in security account and bank account is nil and there are nil outstanding derivative positions.

ii. DDP shall process such surrender applications post receipt of NOC from the Board and shall issue a confirmation to the FPI in this regard

12. Change in Custodian/DDP

i. In case, an FPI or its Global Custodian wishes to change the local custodian/DDP, the request for change shall be forwarded to new local custodian/DDP. In case, the Global Custodian of FPI wishes to change the local custodian/DDP, then the request for change can be sent by the Global Custodian on behalf of its underlying FPI clients provided such Global Custodian has been explicitly authorized to take such steps by the client.

ii. Upon receipt of no objection from the transferor local custodian/DDP, the transferee local custodian/DDP shall approve the change. In case, the request for change in local custodian/DDP is received from Global Custodian, the transferee local custodian/DDP shall inform Compliance Officer of the concerned FPI(s) regarding the change in their local custodian/DDP.

iii. Once the change of DDP/Custodian is approved by DDP, the FPI will need to transfer accounts and assets to the new DDP/Custodian within a period of 30 days. In case the transition does not take place within the stipulated time, the FPI shall provide reasons for the same and seek extension from DDP for a further period of 30 days. Once the transition is complete, transferee local custodian/DDP shall intimate SEBI about the change. Both the DDPs will provide joint confirmation on completion of transition of data and documents to SEBI.

iv. With respect to the process of change of local custodian/DDP by an FPI, the new DDP (i.e. transferee) may rely on the due diligence carried out by the old DDP. However, the new DDP is required to carry out adequate due diligence at the time when the FPI applies for continuance of its registration.

13. Requirement for segregated portfolios

i. Funds investing in India include those with sub-funds or separate classes of shares or equivalent structure with segregated portfolio for such sub-funds or separate classes of shares or equivalent structure. The assets & liabilities across such sub-funds or separate classes of shares or equivalent structure may be ring fenced from each other as directed by FPI. FPIs having segregated portfolio(s) are required to provide BO declaration for each fund/sub-fund/share class/equivalent structure that invests in India. Further, in case of addition of fund / sub fund / share class /equivalent structure with segregated portfolio that invests in India, the FPI shall be required to provide BO information prior to investing in India through such new fund/sub fund/share class/equivalent structure.

ii. Existing FPIs with segregated portfolio are required to provide the BO details for each fund/sub-fund/share class/equivalent structure that invests in India at the time of continuance of registration or within six months from the date of notification of the Regulations, whichever is later. In case of non-submission of BO details within six months, the FPI shall not be allowed to make fresh purchases till the time it is compliant with the said requirement.

iii. For deletion of sub-fund/share classes/equivalent structure that invests in India, an intimation should be provided to DDP forthwith.

iv. The FPI shall also ensure that funds/sub funds/share classes/equivalent structure that do not adhere to the above requirement shall not invest in India in future.

14. Reclassification

If an FPI registered under a particular category/sub-category fails to comply with applicable eligibility requirements, it shall promptly notify this change to its DDP to be

reclassified under appropriate category/sub-category. FPI may be required to provide to the DDP with additional KYC documents, as applicable. The concerned DDP / Custodian shall not allow (block) such FPI to make fresh purchases till additional KYC requirements (if any) are complied with. However, such FPI shall be allowed to continue to sell the securities already purchased by it. If such FPI continues to hold securities 180 days after blocking, such FPI shall be referred to SEBI for any further action.

15. Change in Material Information

i. In terms of Regulation 22(1)(c), if there is any change in the material information previously furnished by the FPI to the DDP and/or SEBI, which has a bearing on the certificate granted by the DDP on behalf of the Board or relating to any direct or indirect change in its structure or ownership or control, change in regulatory status, merger, demerger or restructuring, change in category/ sub-category / structure/ jurisdiction/ name of FPI/ beneficial ownership etc, of the FPI, it shall forthwith inform the DDP and/or the Board in writing.

ii. The DDP shall examine all such material changes and re-assess the eligibility of the FPI including requiring FPIs to seek fresh registration. However, DDP shall not process any request for change in jurisdiction of the FPI and in such cases, FPI may apply for new FPI registration.

iii. Where there is a delay of more than six months in intimation of material change by the FPI to the DDP, the DDP shall, forthwith, inform all such cases to SEBI for appropriate action, if any, along with reason for delay.

16. Change in Status of a Compliant Jurisdiction

i. If a jurisdiction, which was a compliant jurisdiction at the time of grant of registration to FPI, becomes non-compliant jurisdiction i.e. ceases to be member of IOSCO/ Bilateral Memorandum of Understanding with SEBI/ BIS or the concerned jurisdiction of FPI is listed in FATF public statement as "high risk" and "non-cooperative" jurisdiction or the concerned jurisdiction of FPI then concerned Custodian shall not allow such FPIs to make fresh purchases till the time the jurisdiction/FPI is compliant with the Regulations. However, the FPI shall be allowed to sell the securities or continue to hold the securities already purchased by it. The concerned DDP shall inform to SEBI details of such FPIs upon such change.

Further, in case the FPI itself or its underlying investors contributing twenty-five percent or more in the corpus of the FPI or identified on the basis of control, come

under the Sanctions List notified by the United Nations Security Council, custodian shall not allow any further buy/sell in the account of such FPI and shall forthwith notify such instances to SEBI.

17. Other Changes relating to FPI

i. DDP shall take note of the other changes such as change in Compliance Officer, change in contact details and address and update the records accordingly.

PART B – KNOW YOUR CLIENT REQUIREMENTS FOR FOREIGN PORTFOLIO INVESTORS (FPIs)

FPIs are required to provide KYC related documents based on the category under which it is registered. Once the KYC is completed, the intermediary will upload the Form and supporting documents on the KRA portal for other market intermediaries to access and complete their KYC requirements. Apart from the KYC requirement stated below, each intermediary may have additional documentation requirement for conducting enhanced due diligence as per their internal policies.

1. KYC documentation requirements for FPI

KYC documentation applicable for FPIs shall be as under:-

Table 4

Sr. No	Document Type	KYC Documentation Details	Category - I	Category - II
1	**Applicant Level**	Constitutive Docs (MoA, COI, prospectus etc.)	Required	Required
2		Proof of Address[1]	Required	Required
3		PAN	Required	Required
4		Board Resolution[2]	Not required	Required
5		FATCA / CRS form	Required	Required
6		Form/ KYC Form	Required	Required
7	**Authorised Signatories**	List of Signatures[2]	Required	Required
8	**Ultimate Beneficial Owner (UBO)**	List of UBO including the details of Intermediate BO[3]	Required	Required
9		Proof of Identity	Not Required	Required

[1] Power of Attorney having address provided to Custodian is accepted as address proof.

[2] Power of Attorney granted to Global custodian/ local custodian is accepted in lieu of Board Resolution (BR). BR and the authorized signatory list (ASL) is not required if SWIFT is used as a medium of instruction.

[3] UBO is not required for Government and Government related entities.

Notes to the Table:

i. FPIs to provide an undertaking that upon demand by Regulators/ Law Enforcement Agencies the exempted / relevant document/s would be submitted to the intermediary.

ii. For FPI Category - I coming from high-risk jurisdiction (other than those registered under Regulation 5(a)(i)), the KYC documentation equivalent to FPI Category II shall apply.

iii. FPI Category – II registered under Regulation 5(b)(i), shall provide KYC documentation equivalent to FPI Category - I. However, BO details need to be provided in specified format.

iv. For non-PAN related KYC documents (including KYC form), a local custodian can rely on KYC carried out by another entity of the same financial group (like a Global Custodian or Investment Manager) which is regulated and coming from an FATF member country, where KYC is carried out as per their home jurisdiction standards. Where this reliance is placed, such entity/ FPI shall provide an undertaking to the effect that the relevant KYC documents, would be submitted to the DDP/ Local Custodian when required by regulator/law enforcement agency/ government departments/ tax authority, etc. However, the Custodian / local intermediary will be required to collect constitution documents and BO related declarations (wherever applicable) of the FPI and also, upload the evidence of KYC reliance on KRA.

v. Prospectus and Information Memorandum are acceptable in lieu of an official constitutional document.

vi. Valid FATCA / CRS documentations is required to be submitted at the time of account opening.

vii. Intermediary can verify the PAN of FPIs online from website authorized by the Income-Tax department. To clarify no certification of PAN document required from FPI. Alternatively, e-PAN issued by CBDT can also be produced by FPI for KYC compliance without requiring any certifications. In such situations where the broker is relying on KRA, it shall verify the PAN and download the available documents from KRA. PAN is not mandatory for UBO, senior management and authorized signatories of FPI.

viii. PAN is not mandatory for UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.

ix. Board Resolution and the authorized signatory list (ASL) is also not required if there is no exchange of physically signed documents / agreements between the

local Broker and the FPI or its authorized representative being an Investment Manager regulated in FATF member country.

x. Existing risk based KYC requirement applicable to FPIs should also be made applicable to securities account of FDI, FVCI/DR and FCCB accounts/entities if the same entities are registered as FPIs.

xi. If all information required in KYC Form (Part I and II) is provided in Form itself, no separate KYC Form (Part I and II) will be required to be submitted.

2. Sharing of KYC documents with banks towards opening of bank accounts of FPIs

i. Intermediaries are advised to share the relevant KYC documents with the banks concerned based on appropriate authorization.

ii. Accordingly, a set of hard copies of the relevant KYC documents furnished by the FPIs to intermediaries may be transferred to the concerned bank through their authorised representative.

iii. While transferring such documents, intermediaries shall certify that the documents have been duly verified with the original or notarised documents have been obtained, where applicable. In this regard, a proper record of transfer of documents, both at the level of the Intermediaries as well as at the bank, under signatures of the officials of the transferor and transferee entities, may be kept.

3. Depository Account by Foreign Portfolio Investor:

In case, a FPI holds separate depository accounts in both NSDL and CDSL, it is allowed to appoint only one custodian.

4. Identification and verification of Beneficial Owners

i. Beneficial Owners (BOs) are the natural persons who ultimately own or control an FPI and should be identified in accordance with Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (hereinafter referred as PMLA Rules). FPIs are required to maintain a list of BOs and should provide such list of their BOs as below:-

Table 5

Sl. No.	Name & Address of the Beneficial Owner (Natural Person)	Date of Birth	Tax Residency Jurisdiction	Nationality	Whether acting alone or together through one or more natural persons as group, with their	BO Group's percentage Shareholding / Capital / Profit ownership in the FPIs	Tax Residency Number/ Social Security Number/ Passport Number of BO/ any other Government issued identity document number (example

					name & address		driving license) (Please provide any) #

 # Not required for Category I FPIs.

BOs of FPIs having General Partner/Limited Partnership structure shall be identified on ownership or entitlement basis and control basis.

ii. Category I FPI registered under Regulation 5(a)(i) are exempt from providing BO details.

iii. In respect of FPIs (other than Category I FPI registered under Regulation 5(a)(i)) coming from "high risk jurisdictions" as identified by intermediary, the intermediaries may apply lower materiality threshold of 10% for identification of BO. For category I FPIs (other than registered under regulation 5(a)(i)) from high risk jurisdictions KYC documentation as applicable for category II FPIs need to be collected.

iv. The materiality threshold to identify the beneficial owner should be first applied at the level of FPI and next look through basis shall be applied to identify the beneficial owner of the intermediate shareholder/ owner entity. Beneficial owner and intermediate shareholder/ owner entity with holdings equal & above the materiality thresholds in the FPI need to be identified through the look through basis. For intermediate material shareholder/ owner entity/ies, name, country and percentage holding shall also be disclosed as per Annexure E. In case the intermediate shareholder/ owner entity is eligible for registration as Category I FPI under Regulation 5(a)(i), there is no need for further identification and verification of beneficial owner of such intermediate shareholder/ owner entity.

v. The term senior managing official (SMO), for identification as BO, means individual(s) as designated by the FPI who holds a senior management position and makes key decisions relating to the FPI.

vi. No foreign company shall be entitled to exemption under Rule 9(3)(f) of PMLA Rules.

vii. In case of companies/ trusts represented by service providers like lawyers/ accountants, FPIs should provide information of the real owners/ effective controllers of those companies / trusts. If the BO exercises controls through means like voting rights, agreements, arrangement etc., that should also be specified. It is clarified that BO should not be a nominee of another person and real BO should be identified.

5. Periodic KYC review

KYC review means steps taken to ensure that documents, data or information collected under the due-diligence process are kept up-to-date and relevant by undertaking reviews of existing records on a periodical basis.

i. At the time of KYC review, custodian may seek confirmation from FPI whether there is any change in the documents/ information provided earlier. If there is any change, the FPI shall provide the updated documents/ information to the custodian.

Table 6

Jurisdiction	**FPI Category – I**	**FPI Category – II –**
High Risk	Registered under Regulation 5(a)(i) - During continuance of registration i.e. every 3 years. Others - Annually	Annually
Non-High Risk	During continuance of registration i.e. every 3 years.	Regulated entities during continuance of registration i.e. every 3 years. Others- Annually.

6. Data security

The KYC Registration Agencies (KRAs) shall secure personal information provided with regard to beneficial owner including SMO of FPI. Such information should be made available to intermediaries only on 'need to know basis' using an authentication method wherein an intermediary, can access the information from KRA using the authentication (similar to One Time Password "OTP") after the KRA gets confirmation from the FPI or its Global custodian or Investment Manager. For this purpose, KRAs need to maintain email ids of the FPI and/ or its representative. This functionality will be optional and it will be deactivated only upon receipt of instruction from the FPI to KRA.

The Key features as below:

a. Up to 3 email ids of the FPI can be recorded with 1 mandatory id and 2 optional email ids
b. Download Consent Flag – Yes / No (Default value is set as "Yes")
    i. 'Yes' means Consent required for download
    ii. 'No' means download without consent
c. Where Download Consent Flag is "Yes", an email with the consent link with decision tab "Approve" or "Reject", will be sent to the authorised representative of FPI (as per the details updated in "a" above) , requesting their consent to provide the KYC records to the requesting intermediary.

d. KRA will send an email to the requesting intermediary that consent request email has been sent to the authorised representative of the FPI, to enable them to follow up for the consent.
e. KRA will permit download of KYC records and information once the consent is received from the authorised representative of the FPI.
f. Whenever KYC details of client are modified by intermediaries, KRA system sends unsolicited download of KYC information to all intermediaries who have either uploaded/downloaded/modified KYC information of the FPI. The unsolicited KYC download including UBO details of the FPI will be available to the intermediaries who have uploaded/downloaded/modified, such FPIs KYC details in the past, even when the Download Consent Flag is set as “Yes” or otherwise.
g. In case the FPI closes the account with an intermediary, the FPI or the intermediary shall inform KRA to delink the KYC of such FPI, so that unsolicited download request can be discontinued.

7. Period for maintenance of records

The Custodian should maintain the KYC records in original for a minimum period of five years from the date of cessation of the transactions with the said FPI. In case any litigation is pending, these records should be maintained till the completion of the proceedings.

8. Guidelines for KYC:

i. Copies of all the documents submitted by the applicant should be accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents. Additional requirement of self-certification of documents is no longer required.
ii. If any proof of identity or address is in a foreign language, then translation into English is required.
iii. Name & address of the applicant mentioned on Form, should match with the documentary proof submitted.
iv. If more than one address is provided, proof should be enclosed.
v. The Global Custodian or the Local Custodian may fill the Form, if authorized through the Power of Attorney (PoA).
vi. In person verification is not applicable for a non-individual Client. IPV for individual clients through web camera shall be allowed.
vii. Reliance on information available from reliable public sources- In addition to information provided by the client, the intermediaries can rely on documents / information available from reliable public sources (for e.g. websites of Regulators, Exchanges, SROs, Registrars) while collecting documents / information required for an FPI. Attestation of these documents (by way of mentioning the source of the

document and signature against the same) may be carried out by a duly authorized official of the Intermediary. No further attestation of such documents is required.

viii. **List of people authorized to attest the documents:** Notary Public, officials of Multinational Foreign Banks or any Bank regulated by Reserve Bank of India (Name, Designation & Seal should be affixed on the copy).

9. List of supporting documents:

A. Proof of Identity (POI): - *List of documents admissible as Proof of Identity:*

<u>For individuals only</u>

i. Identity card/ document with applicant's Photo such as Passport, Driving license etc, issued by any of the following:

Central/State Government and its Departments, Statutory/Regulatory Authorities, Tax Authorities.

B. Proof of Address : - *List of documents admissible as Proof of Address:*

(Documents having an expiry date should be valid on the date of submission.)

i. Document specifying the address issued by any of the following:

Central/State Government and its Departments, Statutory/Regulatory Authorities, Tax Authorities such as Passport, Driving license, etc. Intermediaries may place reliance on address appearing on website of regulator/ registrar for address proof

ii. Utility bills like Telephone Bill, Electricity bill or Gas bill **-** Not more than 2 months old.

iii. Bank Account Statement/Passbook/letter -- Not more than 3 months old.

iv. Power of Attorney given by FPI to Custodians specifying the address (duly notarized and/or apostilled or consularised).

v. Intermediary may rely on constitutive documents to establish Proof of residency for multilateral organisations.

Proof of address to be submitted only if the submitted POI does not have an address or address as per POI is invalid or not in force.

PART C - Investment Conditions / Restriction on Foreign Portfolio Investors registered SEBI (Foreign Portfolio Investor) Regulations, 2019

1. Monitoring of investment limit at investor group level

i. Where multiple FPIs belong to the same investor group as provided under Regulation 22(3) of the Regulations, the investment limits of all such FPIs taken together shall be clubbed at the investment limit as applicable to a single FPI. For individuals registered as FPIs, the individual and his/her relatives who is/are also

registered as FPI(s) should also be considered for the purposes of investor group. The definition of "relative" shall be as per Section 2 Sub section 77 of the Companies Act, 2013.

ii. Where different FPIs belonging to the same investor group are serviced by different custodians, the custodians shall report the holdings of such FPIs to both the depositories. The depositories shall club the investments of such FPIs and ensure that combined holdings of all these FPIs remains below 10% of the total paid up equity capital in a listed or to be listed company on a fully diluted basis at any time.

iii. The depositories shall monitor the aggregate investment limits of FPI group based on demat holdings data, daily on an end of day basis.

iv. The depositories shall put in place appropriate systems, procedures and mechanisms to capture and maintain the details of FPIs belonging to the same investor group, based on the information provided by the DDPs, from time to time.

v. The depositories shall put in place appropriate systems, procedures and mechanisms to monitor the investment limit/ holdings of FPIs belonging to the same investor group.

vi. The depositories shall forthwith report the details of those FPIs who are responsible for breach of investment limit to SEBI.

vii. FPIs forming part of an investor group may approach NSDL to get information regarding the aggregate percentage holdings of their group entities in any particular scrip before making investment decision.

viii. Government of India, vide letter No. 10/06/2010-ECB dated January 06, 2016 has exempted World Bank Group viz. IBRD, IDA, MIGA and IFC from clubbing of the investment limits for the purpose of application of below 10% limit for FPI investments in a single company.

ix. The investment by foreign Government/ its related entities from provinces/ states of countries with federal structure shall not be clubbed if the said foreign entities have different BO identified in accordance with PMLA Rules.

x. The investment by foreign Government agencies shall be clubbed with the investment by the foreign Government/ its related entities for the purpose of calculation of below 10% limit for FPI investments in a single company, if they form part of an investor group.

2. Monitoring of Investment Limit at individual level

In order to facilitate the listed Indian companies to ensure compliance with the various foreign investment limits, architecture of the System has been explained as under:-

<u>Housing of the System</u>

A. The system for monitoring the foreign investment limits in listed Indian companies shall be implemented and housed at the depositories (NSDL and CDSL).

Designated Depository

B. A Designated Depository is a depository which has been appointed by an Indian company to facilitate the monitoring of the foreign investment limits of that company. As defined at Rule 2(y) of FEMA (Non-debt Instruments) Rules, 2019 (hereinafter referred as FEMA Rules), the term 'Indian company' means a company incorporated in India.

C. The Designated Depository shall act as a lead depository and the other depository shall act as a feed depository.

Company Master

D. The company shall appoint any one depository as its Designated Depository for the purpose of monitoring the foreign investment limit.

E. The stock exchanges (BSE, NSE and MSEI) shall provide the data on the paid-up equity capital of an Indian company to its Designated Depository. This data shall include the paid-up equity capital of the company on a fully diluted basis.

F. The depositories shall provide an interface wherein the company shall provide the following information to its Designated Depository:

i. Company Identification Number (CIN)
ii. Name
iii. Date of incorporation
iv. PAN number
v. Applicable Sector
vi. Applicable Sectoral Cap
vii. Permissible Aggregate Limit for investment by FPIs
viii. Permissible Aggregate Limit for investment by NRIs
ix. Details of shares held by FPI, NRIs and other foreign investors, on repatriable basis, in demat as well as in physical form
x. Details of indirect foreign investment which are held in both demat and physical form
xi. Details of demat accounts of Indian companies making indirect foreign investment in the capital of the company
xii. Whether the Indian company that has foreign investment in it is either owned and controlled by resident Indian Citizens or is owned or controlled by person's resident outside India

xiii. ISIN-wise details of the downstream investment in other Indian companies

The information provided by the companies shall be stored in a Company Master database. The Designated Depository, if required, may seek additional information from the company for the purpose of monitoring the foreign investment limits. The companies shall ensure that in case of any corporate action, the necessary modification is reflected immediately in the Company Master database.

G. In the event of any change in any of the details pertaining to the company, such as increase/decrease of the aggregate FPI/NRI limits or the sectoral cap or a change of the sector of the company, etc. the company shall inform such changes along with the supporting documentation to its Designated Depository.

Reporting of trades

H. At present, as per SEBI guidelines, the custodians are reporting confirmed trades of their FPI clients to the depositories on a T+1 basis. This reporting shall continue and the data shall be the basis of calculating FPI investments/holding in Indian companies.

I. With respect to NRI (repatriable) trades, Authorized Dealer (AD) Banks shall continue to report the transactions of their NRI clients to the depositories. The AD Banks shall be guided by the circulars issued by RBI in this regard.

Activation of a Red Flag Alert

J. The monitoring of the foreign investment limits shall be based on the paid-up equity capital of the company on a fully diluted basis to ensure that all foreign investments are in compliance with the foreign investment limits.

K. A red flag shall be activated whenever the foreign investment is 3% or less than 3% of the aggregate NRI/FPI limits or the sectoral cap. This shall be done as follows :
Aggregate NRI investment limit in the company

a. The system shall calculate the percentage of NRI holdings in the company and the investment headroom available as at the end of the day with respect to the aggregate NRI investment limit
b. If the available headroom is 3% or less than 3% of the aggregate NRI investment limit, a red flag shall be activated for that company.
c. Thereafter, the depositories and exchanges shall display the available investment headroom, in terms of available shares, for all companies for which the red flag has been activated, on their respective websites.

d. The data on the available investment headroom shall be updated on a daily end-of-day basis as long as the red flag is activated.

Aggregate FPI investment limit of the company

e. The system shall calculate the percentage of FPI holding in the company and the investment headroom available as at the end of the day with respect to the aggregate FPI investment limit
f. If the available headroom is 3% or less than 3% of the aggregate FPI investment limit, a red flag shall be activated for that company.
g. Thereafter, the depositories and exchanges shall display the available investment headroom, in terms of available shares, for all companies for which the red flag has been activated, on their respective websites.
h. The data on the available investment headroom shall be updated on a daily end-of-day basis as long as the red flag is activated.

Sectoral cap of the company

i. The system shall calculate the total foreign investment in the company by adding the aggregate NRI investment, the aggregate FPI investment and other foreign investment in the company as provided by the company in the company master.
j. If the total foreign investment in a company is within 3% or less than 3% of the sectoral cap, then a red flag shall be activated for that company.
k. Thereafter, the depositories and exchanges shall display the available investment headroom, in terms of available shares, for all companies for which the red flag has been activated, on their respective websites.
l. The data on the available investment headroom shall be updated on a daily end-of-day basis as long as the red flag is activated.

L. The depositories shall inform the exchanges about the activation of the red flag for the identified scrip. The exchanges shall issue the necessary circulars/public notifications on their respective websites. Once a red flag has been activated for a given scrip, the foreign investors shall take a conscious decision to trade in the shares of the scrip, with a clear understanding that in the event of a breach of the aggregate NRI/FPI limits or the sectoral cap, the foreign investors shall be liable to disinvest the excess holding within five trading days from the date of settlement of the trades.

Breach of foreign investment limits

M. Once the aggregate NRI/FPI investment limits or the sectoral cap for a given company have been breached, the depositories shall inform the exchanges about the breach. The exchanges shall issue the necessary circulars/public notifications on their respective websites and shall halt all further purchases by :

    m. FPIs, if the aggregate FPI limit is breached
    n. NRIs, if the aggregate NRI limit is breached
    o. All foreign investors, if the sectoral cap is breached

N. In the event of a breach of the sectoral cap/aggregate FPI limit/aggregate NRI limit, the foreign investors shall divest their excess holding within 5 trading days from the date of settlement of the trades, by selling shares only to domestic investors.

Method of disinvestment

O. The proportionate disinvestment methodology shall be followed for disinvestment of the excess shares so as to bring the foreign investment in a company within permissible limits. In this method, depending on the limit being breached, the disinvestment of the breached quantity shall be uniformly spread across all foreign Investors/FPIs/NRIs which are net buyers of the shares of the scrip on the day of the breach.

P. This method has been illustrated with the help of an example provided below.

Table 7

Total shares that can be purchased by foreign investors till sectoral cap is not breached	600
Total quantity purchased by foreign investors on T day	1000
Breach quantity	400

Time	**Foreign Investor**	**Purchased quantity**	**Cumulative Purchase by foreign investor**	**Quantity to be disinvested by the foreign investor**
1000 hrs	ABC	100	100	40
1015 hrs	XYZ	250	350	100

Time	Foreign Investor	Purchased quantity	Cumulative Purchase by foreign investor	Quantity to be disinvested by the foreign investor
1145 hrs	TYU	50	400	20
1230 hrs	POI	180	580	72
1300 hrs	QSX	120	700	48
1400 hrs	REW	150	850	60
1410 hrs	LOP	150	1000	60
Total		**1000**		**400**

Q. As can be observed from the above table, the foreign investors/FPIs/NRIs which are required to disinvest shall be identified and shall be informed of the excess quantity that they are required to disinvest.

R. In the case of FPIs which have been identified for disinvestment of excess holding, the depositories shall issue the necessary instructions to the custodians of these FPIs for disinvestment of the excess holding within 5 trading days of the date of settlement of the trades.

S. In the case of NRIs which have been identified for disinvestment of excess holding, the depositories shall issue the necessary instructions to the Authorized Dealer (AD) Banks for disinvestment of the excess holding within 5 trading days of the date of settlement of the trades.

T. The depositories shall utilize the FPI trade data provided by the custodians, post custodial confirmation, on T+1 day, where T is the trade date. The breach of investment limits (if any) shall be detected at the end of T+1 day and therefore, the announcement pertaining to the breach shall be made at the end of T+1 day. The foreign investors who have purchased the shares of the scrip during the trading hours on T+1 day shall also be given a time period of 5 trading days from the date of settlement of such trades, to disinvest the holding accruing from the aforesaid purchase trades. In other words, the purchase trades of such foreign investors which have taken place on T+1 day, shall be settled on T+3 day and thereafter a time period from T+4 day to T+8 day shall be available to them to disinvest their entire holding arising from purchases on T+1 day.

U. If T+1 is a settlement holiday, then the custodial confirmation of the trade executed on T day shall be done on T+2 day and the subsequent settlement of the trade on T+3 day. In such a scenario, the breach would be detected at the end of T+2 day.

V. A table summarizing the breach-disinvestment scenario is given below

Table 8

Parameter	**Purchase on T Day**	**Purchase on T+1**
Date of breach	T day	T day
Date of trade	T day	T+1 day
Date of detection of breach	T+1 day (End of day) T+2 day (End of Day, if T+1 is a settlement holiday	T+1 day (End of day) T+2 day (End of Day), if T+1 is a settlement holiday
Date of settlement of transaction	T+2 day T+3 day, if either T+1 day or T+2 day is a settlement holiday	T+3 day T+4 day, if either T+2 day or T+3 day is a settlement holiday
Disinvestment time frame	5 trading days from the date of settlement of the transactions which were executed on the day of the breach i.e. 5 trading days from T+2 day If T+1 day or T+2 day is a settlement holiday, then 5 trading days from T+3 day	5 trading days from the date of settlement of the transactions which were executed on T+1 day i.e. 5 trading days from T+3 day If T+2 day or T+3 day is a settlement holiday, then 5 trading days from T+4 day

W. In the event the foreign shareholding in a company comes within permissible limit during the time period for disinvestment, on account of sale by other FPI or other group of FPIs, the original FPIs, which have been advised to disinvest, would still have to do so within the disinvestment time period, irrespective of the fresh availability of an investment headroom during the disinvestment time period.

X. There shall be no annulment of the trades which have been executed on the trading platform of the stock exchanges and which are in breach of the sectoral caps/aggregate FPI limits/aggregate NRI limits.

Failure to disinvest within 5 trading days

Y. If a breach of the investment limits has taken place on account of the FPIs and the identified FPIs have failed to disinvest within 5 trading days, then the matter shall be referred to SEBI.

3. Off-Market transfer of securities

i. In addition to the transactions set out under Regulation 20(4)(d) of the Regulations with domestic or foreign investors, FPIs shall also be permitted to request for 'Off Market' transfer of assets between FPIs operating under MIM structure (with same PAN issued by Income Tax Department) to their DDPs and such requests can be processed by DDPs at their end.

ii. Any such approval of off market transactions of assets by DDPs will be without prejudice to provisions of taxation.

iii. FPIs are permitted to sell off-market unlisted, illiquid, suspended, and delisted shares in accordance with the pricing guidelines for such sale as per FEMA Rules.

4. "To be listed" shares

FPIs shall be permitted to acquire "to be listed" shares pursuant to initial public offer (IPO), follow-on public offer (FPO), rights issue, private placement or shares received through involuntary corporate actions including a scheme of a merger or demerger.

5. Short sale of securities

FPIs are not allowed to short sell in Indian market except as allowed under Securities Lending & Borrowing (SLB) or any other framework specified by the Board. Further, sales against open purchases are not permitted for FPIs and FPIs can sell such securities only after their settlement.

6. Investment by FPI through primary market issuances

i. As per Regulation 20(7) of the Regulations, the purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of total paid-up equity capital on a fully diluted basis of the company.

ii. To ensure compliance of the above, at the time of finalization of basis of allotment during primary market issuances, Registrar and Transfer Agents ('RTAs') shall use PAN issued by Income Tax Department of India for checking

compliance for a single FPI. Also, RTAs should obtain validation from Depositories for the FPI investor group who have invested in the particular primary market issuance to ensure there is no breach of investment limit within the timelines specified by SEBI for issue procedure.

iii. Bids by FPIs submitted under MIM structure with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple bids.

7. Transfer of Right entitlements

FPI shall ensure that the transfer of rights entitlements shall be at market price or fair value, as applicable.

8. Risk management framework for FPIs

i. Margining of trades undertaken by FPIs in the Cash Market

a) The trades of FPIs shall be margined on a T+1 basis as specified by SEBI.
b) However, the trades of Category II FPIs who are corporate bodies, Individuals or Family offices shall be margined on an upfront basis as per the extant margining framework for the non-institutional trades.

ii. Facility for allocation of trades among related FPIs: The following framework may be implemented to facilitate allocation of trades among the FPIs:

a) Entities who trade on behalf of FPIs shall inform the stock brokers of the details of FPIs on whose behalf the trades would be undertaken.
b) The stock broker, in turn, shall inform the stock exchanges the details of such related FPIs.
c) Stock exchanges shall put-in place suitable mechanism to ensure that allocation of trade is permitted only among such related FPIs.

9. FPIs investments in debt securities

i. With respect to FPIs investments into government (Central and State) securities, exchange traded currency and interest rate derivatives, FPIs shall be guided by directions issued by RBI from time to time.

ii. In respect of investment conditions in the corporate debt securities, the FPI shall also comply with terms, conditions or directions, specified or issued by RBI, from

time to time. No separate circular(s) shall be issued by SEBI. The intermediaries may take steps required to operationalize the RBI notifications.

iii. FPIs are eligible to invest in corporate debt issues which are “to be listed” without any end-use restriction as applicable to unlisted debt securities. However, if the listing does not happen within 30 days or the issue is not meeting end use restriction, FPI shall immediately dispose such investment to either domestic investor or issuer

iv. The investments by FPIs in debt oriented mutual fund schemes shall be reckoned as investments in corporate debt.

10. Allocation of corporate debt limit

FPI corporate debt investments are subject to Corporate Debt Investment Limits (CDIL) as announced by RBI from time to time.

i. The CDIL shall be available on tap for investment by foreign investors till the overall investment reaches 95% of the CDIL.

ii. In the event the overall FPI corporate debt investments exceeds 95% of the CDIL (as indicated by the debt utilisation status updated daily on the websites of NSDL and CDSL), the following procedure shall be followed:

a. The depositories (NSDL and CDSL) shall direct the custodians to halt all FPI purchases in corporate debt securities.

b. The depositories shall then inform the exchanges (NSE and BSE) regarding the unutilised debt limits for conduct of auction. Upon receipt of information from the depositories, the exchange (starting with BSE) shall conduct an auction for the allocation of unutilised debt limits on the second trading day from the date of receipt of intimation from the depositories. Thereafter, the auction shall be conducted alternately on NSE and BSE.

c. The auction shall be held only if the free limit is greater than or equal to INR 100 cr. However, if the free limit remains less than INR 100 cr for 15 consecutive trading days, then an auction shall be conducted on the sixteenth trading day to allocate the free limits.

d. The auction shall be conducted in the following manner:

Table 9

Particulars	Details
Duration of bidding:	2 hours (15:30 to 17:30 hrs)
Access to platform	Trading members or custodians
Minimum bid	INR 1 crore
Maximum bid	One-tenth of free limit being auctioned
Tick Size	INR 1 crore
Allocation Methodology	Price time priority
Pricing of bid	Minimum flat fees of INR 1000 or bid price whichever is higher
Time period for utilization of the limits	10 trading days from the date of allocation

e. Once the limits have been auctioned, the FPIs will have a utilisation period of 10 trading days within which they have to make the investments. The limits not utilised within this period shall come back to the pool of free limits.

f. Upon sale/redemption of debt securities, the FPI will have a re-investment period of 2 trading days. If the re-investment is not made within 2 trading days, then the limits shall come back to the pool of free limits.

g. A single FPI/ FPI investor group cannot bid for more than 10% of the limits being auctioned.

iii. The subsequent auction would be held 12 trading days after the previous auction, subject to the fulfilment of the condition mentioned at clause (ii)(c) above.

iv. The auction mechanism shall be discontinued and the limits shall be once again available for investment on tap when the debt limit utilisation falls below 92%. It is clarified that in such a scenario, the reinvestment facility mentioned at clause (ii)(f) above shall be terminated and cannot be availed for the same limits when the utilisation crosses 95% again. The custodians shall monitor and report the reinvestment facility availed by the FPIs to the depositories.

11. Position limits available to FPIs for stock and stock index derivative contracts

Stock derivative

i. Position limits available to Category I FPIs for stock derivative contracts shall continue to have 20% of market wide position limit (MWPL). Position limits available to Category II FPIs (other than FPIs in sub-category individuals, family offices, corporates) shall have 10% of MWPL. Position limits for individuals, family offices, and corporates shall be 5% of MWPL.

Stock Index derivative

ii. The position limit in index for Category I FPIs will remain at INR 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per exchange.

In addition, category I FPIs shall take exposure in equity index derivatives subject to the following limits:-

(a) Short positions in index derivatives (short futures, short calls and long puts) not exceeding (in notional value) the FPI's holding of stocks.

(b) Long positions in index derivatives (long futures, long calls and short puts) not exceeding (in notional value) the FPI's holding of cash, government securities, T bills and similar instruments.

iii. The position limit in index derivative for Cat. II FPI shall be as under:-

(a) Higher of INR 300 crore or 10% of open interest for cat II FPIs (other than individuals, family offices and corporates).

(b) Higher of INR 100 crore or 5% of open interest for Cat II FPIs under subcategory of Individuals, family offices, corporates.

iv. The above limits shall be separately applicable for equity index futures and equity index options as per the current mechanism for all categories of FPIs.

12. FPI Position Limits in Exchange Traded Interest Rate Futures (IRF)

i. Following position limits shall be applicable for Category I & II FPIs other than FPIs in sub-category individuals, family offices, corporates):

a) A limit of INR 5,000 crore on aggregate basis to FPIs for taking long position in IRFs

b) This limit will be calculated as follows:

i. For each interest rate futures instrument, position of FPIs with a net long position will be aggregated. FPIs with a net short position in the instrument will not be reckoned.

ii. No FPI can acquire net long position in excess of INR 1,800 crore at any point of time.

c) The limits prescribed for investment by FPIs in Government Securities shall be exclusively available for investment in Government Securities and shall not be reckoned for the purpose of computing utilisation under above mentioned limit of INR 5,000 crore.

d) The Position Limits for FPI across all contracts will be as below:

i. Category I and II FPIs (other than individuals, family offices and corporates) – Trading member level Position limits

ii. Category II FPIs (Individuals, family offices and corporates – Client level position limits will apply.

Category	8-11 years maturity bucket	4-8 and 11-15 year maturity bucket
Trading Member Level	10% of Open Interest or INR 12 billion whichever is higher	10% of Open Interest or INR 6 billion, whichever is higher
Client Level	3% of Open Interest or INR 4 billion, whichever is higher	3% of Open Interest or INR 2 billion, whichever is higher

iii. The total gross short (sold) position of an FPI in IRF shall not exceed its long position in the government securities and in Interest Rate Futures, at any point in time.

iv. <u>Monitoring mechanism</u>

a) Stock Exchanges shall put in place necessary mechanism for monitoring and enforcing limits of FPIs in IRFs.

b) Stock Exchanges shall aggregate net long position in IRF of all FPIs taken together at the end of the day and shall jointly publish/ disseminate the same on their website on daily basis.

c) Once 90% of the limit is utilized, Stock Exchanges shall put in place necessary mechanism to get alerts and publish on their websites the available limit, on a daily basis.

d) In case, there is any breach of the threshold limit, the FPI/s whose investment caused the breach shall square off their excess position/s within five trading days or by expiry of contract, whichever is earlier.

13. Participation of FPIs in the Currency Derivatives segment and Position limits for currency derivatives contracts

FPIs are permitted to trade in the currency derivatives segment of stock exch anges, subject to terms and conditions as mentioned below:

i. **Position limits of Category I and II FPIs other than individuals, family offices and corporates:**

The gross open positions of the above FPIs across all contracts in the respective currency pairs shall not exceed the limits as mentioned below.

Currency Pairs	**Position Limits**
USD-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or USD 100 million, whichever is higher.
EUR-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or EUR 50 million, whichever is higher.
GBP-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or GBP 50 million, whichever is higher.
JPY-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or JPY 2000 million, whichever is higher.

ii. **Position limits of category II FPIs that are individuals, family offices and corporates:**

The gross open positions of the above FPI across all contracts in the respective currency pairs shall not exceed the limits as mentioned below. For the purpose of computing the FPI level gross open position, Long position shall be considered as Long Futures, Long Calls, and Short Puts and Short Position shall be considered as Short Futures, Short Calls, and Long Puts

Currency Pairs	**Position Limits**
USD-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or USD 10 million, whichever is higher.
EUR-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or EUR 5 million, whichever is higher.
GBP-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or GBP 5 million, whichever is higher.

JPY-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or JPY 200 million, whichever is higher.

iii. In case of positions taken to hedge underlying exposure, the position limit linked to open interest shall be applicable at the time of opening a position. Such positions shall not be required to be unwound in the event a drop of total open interest in a currency pair at a stock exchange. However, participants shall not be allowed to increase their existing positions or create new positions in the currency pair till they comply with the position limits.

iv. Limits for FPIs and Domestic Clients based on Underlying Exposure:

- FPIs may take long or short positions without having to establish existence of underlying exposure, upto a single limit of USD 100 million equivalent, across all currency pairs involving INR, put together, and combined across all the stock exchanges.

- FPIs shall ensure that their short positions at all stock exchanges across all contracts in FCY-INR pairs do not exceed USD 100 million. In the event a FPI breaches the short position limit, stock exchanges shall restrict the FPI from increasing its existing short positions or creating new short positions in the currency pair till such time FPI complies with the said requirement.

- To take long positions in excess of USD 100 million in all contracts in FCY-INR pairs, FPIs shall be required to have an underlying exposure in Indian debt or equity securities, including units of equity/debt mutual funds

v. FPIs are allowed to take positions in the exchange traded cross-currency futures and option contracts in the EUR-USD, GBP-USD and USD-JPY currency pairs and exchange traded currency option contracts in EUR-INR, GBP-INR and JPY-INR currency pairs, subject to terms and conditions as mentioned below

Position limits of Category I and II FPIs other than individuals, family offices and corporates:

Currency Pairs	Position Limits
EUR-USD	Gross open position across all contracts shall not exceed 15% of the total open interest or EUR 100 million, whichever is higher.

GBP-USD	Gross open position across all contracts shall not exceed 15% of the total open interest or GBP 100 million, whichever is higher.
USD-JPY	Gross open position across all contracts shall not exceed 15% of the total open interest or USD 100 million, whichever is higher. The aforementioned limits shall be the total limits available to the stock brokers for taking positions on proprietary basis and for positions of their clients.

Position limits of category II FPIs that are individuals, family offices and corporates:

Currency Pairs	Position Limits
EUR-USD	Gross open position across all contracts shall not exceed 6% of the total open interest or EUR 10 million, whichever is higher.
GBP-USD	Gross open position across all contracts shall not exceed 6% of the total open interest or GBP 10 million, whichever is higher.
USD-JPY	Gross open position across all contracts shall not exceed 6% of the total open interest or USD 10 million, whichever is higher.

vi. The following shall be implemented by the clearing corporations and the custodians of the FPIs for enabling monitoring of positions of FPIs:

- The clearing corporation shall provide details on the FPI's day-end and day's highest open positions at end of day to the custodians of the FPI.
- The custodian of the FPI shall aggregate the positions taken by the FPI on the currency derivatives segments of all the stock exchanges and forward such details to the designated bank of the FPI. The custodian of securities of the FPI shall also provide the market value of applicable underlying exposure of the FPI to the designated bank of the FPI.

vii. The onus of complying with the above provisions shall rest with the FPI and in case of any contravention, the FPI shall render itself liable to any action that may be warranted by RBI as per the provisions of Foreign Exchange Management Act, 1999 and Regulations, Directions, etc. framed thereunder. These limits shall be monitored by stock exchanges and/or clearing corporations and breaches, if any, shall be reported to RBI. In this regard,

stock exchanges / clearing corporations shall devise a suitable mechanism to monitor the aforesaid limits, subject to appropriate regulatory concurrence

14. Investments by FPIs in REITs, InvITs, AIFs

i. FPIs are permitted to invest in units of REITs, InvITs and Category III AIFs in terms of Regulation 21 (1) of SEBI (FPI) Regulations, 2019 subject to such other terms and conditions as may be prescribed by SEBI from time to time.

ii. A FPI shall not hold more than twenty five percent stake in a category III AIF.

iii. Investments in REITs and InvITs shall be captured under the category "Hybrid Security" for the purpose of capturing and disseminating FPI investment data.

15. Investments by FPIs in corporate bonds under default

i. FPIs are permitted to acquire NCDs/bonds, which are under default, either fully or partly, in the repayment of principal on maturity or principal instalment in the case of an amortising bond. FPIs shall be guided by RBI's definition of an amortising bond in this regard.

ii. The revised maturity period for such NCDs/bonds restructured based on negotiations with the issuing Indian company, should be as per the norms prescribed by RBI from time to time, for FPI investments in Corporate Debt.

iii. The FPIs shall disclose to the Debenture Trustees, the terms of their offer to the existing debenture holders/beneficial owners of such NCDs/bonds under default, from whom they propose to acquire.

iv. All investments by FPIs in such bonds shall be reckoned against the prevalent corporate debt limit. All other terms and conditions pertaining to FPI investments in corporate debt securities shall continue to apply.

16. Clarification regarding adherence to below 10% investment limit

In the event an FPI and its investor group reach 10% or more of the total paid up equity capital of a company on a fully diluted basis, they must follow extant FEMA rules in this regard. If such FPI and its investor group opt to treat their entire investment into a company as FDI under Regulation 22(3), such FPI including its investor group shall not make further portfolio investment in that company under the Regulations. Such FPI/ its investor group shall inform respective custodians of the choice who in turn will report this to the board, depositories and the issuer. Such investments shall be treated as FDI subject to norms as prescribed by RBI from time to time and will be

marked as FDI in custodian records. However, FPI and its investor group will be able to sell these securities only through the route as they were acquired and appropriate reporting (i.e. LEC reporting) will be made by the respective custodian.

17. Write-off of securities held by FPIs

Where an FPI is not able to sell through permitted off-market transaction of unlisted, illiquid, suspended, and delisted shares, they can write-off such securities as per below process. as follows (only for FPIs whose registration is not valid or who intends to surrender their registration):

i. Custodian to obtain authorization from FPI to write-off securities. The FPI should also provide undertaking that it is giving away all its rights as the beneficial owner of the security(ies).

ii. Upon receipt of instruction from FPI, Custodian will extinguish the security from the safekeeping account (held in banks internal books/system) of the FPI - Securities written off should be reported to SEBI and RBI as sale trade with NIL sale proceeds.

iii. As securities in the electronic form in the demat account of the FPI cannot be extinguished, Custodian shall freeze depository account with reason being 'Write off securities as per client request' in the depository system and intimate such action to Depositories. To facilitate easy identification of such accounts in future depositories may issue guidance to the custodians for making make necessary changes in the existing FPI client 'type/ subtype' to the type of legal entity in the depository system of such demat accounts.

iv. Such FPI shall apply for surrender of its registration and the DDP of such FPI shall process the surrender after obtaining the approval from the Board.

v. Monetary corporate benefits if received by the Custodians shall be credited to the Investors Protection and Education Fund of SEBI not later than 30 days from the date of receipt of the same.

vi. Non-monetary corporate benefits if received shall accumulate in the demat account.

PART D - Issuance of Offshore Derivative Instruments by Foreign Portfolio Investors under SEBI (Foreign Portfolio Investor) Regulations, 2019

This section consolidates the requirements prescribed by SEBI relating to issuance of Offshore Derivative Instruments (ODIs) by Foreign Portfolio Investors (FPIs) and matters connected therewith.

1. Conditions for issuance of ODIs

i. FPIs shall not be allowed to issue ODIs referencing derivatives. Further, no FPI shall be allowed to hedge their ODIs with derivative positions on stock exchanges in India.

ii. As an exception to above clause (i), the following is permitted through a separate FPI registration of an ODI issuing FPI under Category I:

(a) Derivative positions that are taken on stock exchanges by the FPI for 'hedging of equity shares' held by it in India, on a one to one basis; and/or

The term "hedging of equity shares" means taking a one-to-one position in only those derivatives, which have the same underlying as the equity share held by the FPI in India.

(b) An ODI issuing FPI may hedge the ODIs referencing equity shares with derivative positions in Indian stock exchanges, subject to a position limit of 5% of market wide position limits for single stock derivatives. The permissible position limit for stock index derivatives is higher of INR 100 crores or 5% open interest; and/or

For avoidance of any doubt on ODIs reference/ underlying and their allowance or otherwise, as stated under (i) and (ii) above, the following table shall be referred:

Table 10

Sl. No.	ODI reference/ underlying	ODI issuer's holding in India against the ODI	Allowed	Exception
1	Cash equity/ debt securities / any permissible investment by FPI (other than derivatives)	Cash equity/ debt securities / any permissible investment by FPI (other than derivatives), for life of ODI	Yes	None. Separate registration required to undertake any proprietary derivative transactions by such ODI issuing FPI.

2	Cash equity	Cash equity on date of writing the ODIs and then move to derivative positions thereafter.	No	Allowed through separate FPI registration, subject to the above 5% limit.
3	Cash equity	Derivative on date of writing the ODI or thereafter except in manner referred at (2) above in table.	No	None
4	Derivatives	Derivatives	No	Allowed through separate FPI registration, if FPI is holding cash equity and has short future position exactly against the cash equity in the same security (one-to-one basis). FPI to retain the cash equity for the life of ODI.
5	Derivatives	Cash equity	No	None

Note: All reference to derivatives above include instruments or contracts or agreements referencing index.

An ODI issuing FPI, which hedges its ODI only by investing in securities (other than derivatives) held by it in India, cannot undertake proprietary derivative positions through the same FPI registration. Such FPI must segregate its ODI and proprietary derivative investments through separate FPI registrations. Such separate registrations should be in the name of FPI with "ODI" as suffix under same PAN. Where such addition is being requested for an existing FPI, this addition of suffix will not be considered change in name of of FPI and DDP may process this request and issue a new FPI registration certificate. An ODI issuing FPI cannot co-mingle its non-derivative proprietary investments and ODI hedge investments with its proprietary derivative investment or vice versa in same FPI registration.

iii. No fresh derivative position which are not in compliance with above requirements shall be allowed henceforth. FPIs have 90 days' time from date of publication of the Operating Guidelines to comply with above requirements. Off-market transfer of assets/ positions will be allowed for FPIs intending to transfer assets/ position from one FPI account to another FPI account to comply with above requirements.

iv. An ODI subscriber who became ineligible under the Regulation may continue to hold their existing positions till December 31, 2020. No renewal/rollover of existing positions by such ODI subscribers shall be permitted and fresh issuance of ODIs shall be made only to eligible subscribers.

v. In determining whether a derivative instrument issued is an ODI or not, the threshold for trades with non-proprietary indices (e.g. MSCI World or MSCI EM Asia) as underlying shall be taken as 20%, i.e. those trades for which the materiality of Indian underlying is less than 20% of the index would not be regarded as ODIs, even if such exposure is hedged onshore in India. However, trades with custom baskets as underlying if hedged onshore would always be regarded as ODIs regardless of percentage of Indian component that is hedged onshore in India.

vi. Synthetic short activities, where ODI are issued which has the effect of short sale in the Indian securities, continue to be prohibited for FPIs.

vii. ODI issuer shall ensure that it has collected documents/ information enough to satisfy itself with regard to the relationship between the ODI subscriber and its Investment Manager from a FATF member country as allowed in explanation under Regulations 21 (1) (b) of the Regulations.

viii. Investment restrictions prescribed under the Regulation 20(7) of SEBI (Foreign Portfolio Investor) Regulations, 2019 shall apply to ODI subscribers also.

a) For this purpose, two or more ODI subscribers having common ownership, directly or indirectly, of more than fifty percent or common control shall be considered together as a single ODI subscriber, in the same manner as is being done in the case of FPIs.

b) Further, where an investor has investments as FPI and also holds positions as an ODI subscriber, these investment restrictions shall apply on the aggregate of FPI investments and ODI positions held in the underlying Indian Company. In other words, the investment as FPI and positions held as ODI subscriber will be clubbed together with reference to the said investment restrictions.

2. Know Your Client (KYC) norms for ODI subscribers and reporting of suspicious transactions

i. KYC requirement table, applicable for ODI subscribers is placed below:-

Table 11

	Document required
ODI subscriber	Constitutive Documents
	Proof of Address
	Board Resolution
Beneficial Owner (BO) of ODI subscriber	List
	Proof of Identity
	Proof of Address

Senior Management (Whole Time Directors/ Partners/ Trustees etc.)	List

ii. The ODI issuing FPIs shall maintain with them at all times the KYC documents regarding ODI subscribers and should be made available to SEBI on demand.

iii. Offshore Derivative Instrument (ODI) issuing FPIs shall identify and verify the BOs in the ODI subscriber entities, as applicable to FPIs. Beneficial owner and intermediate shareholder/ owner entity with holdings equal & above the materiality thresholds in the ODI subscriber need to be identified through the look through basis. The list of BOs of ODI subscribers be maintained as per Table 6. ODI issuing FPIs shall also continue to collect identification document number (such as passport, driving license) of BO of ODI subscriber.

iv. For intermediate material shareholder/ owner entity/ies, name, country and percentage holding shall also be disclosed as per Annexure E.

v. The KYC review shall be done on the basis of the risk criteria as determined by the ODI issuers, as follows:

a) In case of high risk ODI subscribers, on yearly basis
b) In case of all other ODI subscribers, once every three years.

vi. ODI issuing FPIs shall file suspicious transaction reports, if any, with the Indian Financial Intelligence Unit, in relation to the ODIs issued by it.

3. Reporting of ODIs and Maintenance of Control Systems

i. Reporting of complete transfer trail of ODIs - Presently, the details of the holder of ODIs have to be mandatorily reported to SEBI on a monthly basis. The ODI issuers are also required to capture the details of all the transfers of the ODIs issued by them and these can be made available to SEBI on demand. The Board decided that in the monthly reports on ODIs all the intermediate transfers during the month would also be required to be reported.

ii. Reconfirmation of ODI positions **-** ODI Issuers shall be required to carry out reconfirmation of the ODI positions on a semiannual basis. In case of any divergence from reported monthly data, the same should be informed to SEBI in format provided

iii. Periodic Operational Evaluation **-** ODI Issuers shall be required to put in place necessary systems and carry out a periodical review and evaluation of its controls, systems and procedures with respect to the ODIs. A certificate in this regard should be submitted on an annual basis to SEBI by the Chief Executive Officer or equivalent of the ODI Issuer. The said certificate should be filed within one month from the close of every calendar year.

iv. Report Details - Following reports need to be submitted by the 10th of every month for the previous month in the format prescribed by SEBI as per the reporting format at **Annexure F** with effect from 1st January 2020 i.e. for the month of December 2019 the report to be filed by 10th January 2020 needs to be in the reporting format as annexed. Till such time, FPIs can continue to file the report in the existing format.

Table 12

S. No.	**Heading**
1.	Monthly Summary Report (MSR)- Statement of Outstanding Positions of Offshore Derivative Instruments (ISIN Wise) as on (last day of previous month)
2.	Annexure A - Offshore Derivative Instruments Activity For The Period ( )
3.	Details of Underlying Trade(s) in Indian Market - For the Period of ___ to ____(Month) - Equity - Annexure B _ Equity
4.	Details of Underlying Trade(s) in Indian Market - For the Period of ___ to ____(Month) - Debt - Annexure B _ Debt
5.	Details of Underlying Trade(s) in Indian Market - For the Period of ___ to ____(Month) - Derivative - Annexure B _ Derivative
6.	Details of Underlying Trade(s) in Indian Market - For the Period of ___ to ____(Month) - Hybrid - Annexure B _ Hybrid
7.	Details of Assets Under Management in Indian Market - Equity as on _____ (Last reporting date of the Month) - Annexure C _ Equity
8.	Details of Assets Under Management in Indian Market - Debt as on _____ (Last reporting date of the Month)- Annexure C _Debt
9.	Details of Assets under Management in Indian Market - Derivative as on _____ (Last reporting date of the Month) - Annexure C _ Derivative
10.	Details of Assets Under Management in Indian Market - Hybrid as on _____ (Last reporting date of the Month) - Annexure C _ Hybrid
11.	Annexure D - Statement on Beneficial owners of ODI subscribers*
12.	Annexure E - Reconciliation/Reconfirmation Report

v. ODI Issuing FPI should compulsorily reflect all their ODIs to Indian underlying in each row of MSR in a true & fair manner. Thus, advise given vide circular dated June 15, 2011 that “The ODI Issuers shall link hedges to the extent that such a link

can be made" shall be withdrawn. Format of the monthly ODI reports to be uploaded on SEBI website shall be as per **Annexure G.**

PART E - Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) in International Financial Services Centre (IFSC)

EFIs operating in International Financial Services Centre (IFSC) shall not be treated as entities regulated by SEBI. Further, SEBI registered FPIs, proposing to operate in IFSC, shall be permitted, without undergoing any additional documentation and/or prior approval process.

Following are eligibility and KYC norms for EFIs:

i. **Eligibility norms**: EFIs are those foreign investors who are eligible to invest in IFSC by satisfying the following conditions:
   a) the investor is not resident in India
   b) the investor is not resident in a country identified in the public statement of Financial Action Task Force as:
      I. a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or
      II. a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies;
   c) the investor is not prohibited from dealing in securities market in India.

ii. **KYC norms**: Intermediary operating in IFSC needs to ensure that records of their clients are maintained as per Prevention of Money-laundering Act, 2002 and rules made thereunder. The following KYC norms may be made applicable to EFIs:

   a. In case of participation of an EFI, not registered with SEBI as an FPI, but desirous of operating in IFSC, a trading member of the recognized stock exchange in IFSC, may rely upon the due diligence carried out by a bank, which is permitted by RBI to operate in IFSC, during the account opening process of EFI.

   b. In case of EFIs that are not registered with SEBI as FPI and also not having bank account in IFSC, KYC as applicable to Category II FPI as per the new FPI categorization shall be made applicable. However, PAN shall not be applicable for KYC of EFIs in IFSC.

c. In case of participation of FPI in IFSC, due diligence carried out by SEBI registered Intermediary during the time of account opening & registration shall be considered.

iii. **Segregation of accounts**: FPIs, who presently operate in Indian securities market and propose to operate in IFSC also, shall be required to ensure clear segregation of funds and securities. Custodians shall, in turn, monitor compliance of this provision for their respective FPI clients. Such FPIs shall keep their respective custodians informed about their participation in IFSC

Annexure-A

The following circulars issued by the Board shall stand rescinded:

Date of Circular	Reference	Title
15-Apr-10	CIR/IMD/FIIC/1/2010	Additional information regarding PCC, MCV or equivalent structure by FIIs.
19-Dec-13	CIR/IMD/FIIC/21/ 2013	Declaration and Undertaking regarding PCC, MCV or equivalent structure by FIIs
8-Jan-14	CIR/IMD/FIIC/02/2014	Operational Guidelines for Designated Depository Participants
28-Apr-14	CIR/IMD/FIIC/ 09/ 2014	Infrastructure facilities and submission of periodic reports
04-Jan-17	IMD/HO/FPIC/CIR/P/2017/003	Guidelines for participation/functioning of Eligible Foreign Investors(EFIs) and FPIs in International Financial services Centre (IFSC)
12-Jun-15	CIR/IMD/FIIC/05/2015	Clarification on grant of registration as a Foreign Portfolio Investor (FPI) to Registered Foreign Venture Capital Investors (FVCI)
15-Feb-18	CIR/IMD/FPIC/ 26 /2018	Easing of Access Norms for investment by FPIs
13-Mar-18	CIR/IMD/FPIC/47/2018	Clarifications in respect of investment by certain Category II FPIs
21-Mar-18	IMD/ FPIC/CIR/P/2018/53	Due diligence and reporting requirements under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)
10-Apr-18	SEBI/HO/IMD/FPIC/CIR/P/2018 /66	Clarification on clubbing of investment limits of foreign Government/ foreign Government related entities
21-Sep-18	CIR/IMD/FPIC/CIR/P/2018/132	Eligibility conditions for Foreign Portfolio Investors (FPIs)
21-Sep-18	CIR/IMD/FPIC/CIR/P/2018/131	Know Your Client requirements for Foreign Portfolio Investors (FPIs)
11-Oct-18	SEBI/HO/FPIC/CIR/P/2018/135	Monthly report of FPI registration on SEBI's website
13-Dec-18	SEBI/HO/IMD/FPIC/CIR/P/2018 /150	Clarification on clubbing of investment limits of Foreign Portfolio Investors ("FPIs")
5 –Sep-12	CIR/MIRSD/ 11 /2012	Know Your Client Requirements
12-Sep-13	CIR/MIRSD/ 07 /2013	KYC Requirements for Eligible Foreign investors

Date of Circular	Reference	Title
16-Jun-14	CIR/IMD/FIIC/11/2014	KYC for FPIs
17-Nov-16	CIR/IMD/FPIC/123/2016	Review of requirement of copy of PAN card to open accounts of FPIs
30-Jun-17	SEBI/HO/IMD/FIIC/CIR/P/2017/068	Acceptance of e-PAN card for KYC purpose
10-Apr-18	CIR/IMD/FPIC/CIR/P/2018/64	Know Your Client Requirements for Foreign Portfolio Investors (FPIs)
21-Aug-18	IMD/FPIC/CIR/P/2018/124	Amendment to SEBI Circular No. CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 on Know Your Client Requirements for Foreign Portfolio Investors (FPIs)
21-Sep-18	CIR/IMD/FPIC/CIR/P/2018/131	Know Your Client Requirements for Foreign Portfolio Investors (FPIs)
31-Oct- 01	FITTC/CUST/14/2001	Issuance of Derivative Instruments by Registered Foreign Institutional Investors (FII
12-Mar-19	IMD/FPIC/CIR/P/2019/37	Review of Investment by Foreign Portfolio Investors (FPI) in Debt Securities
05-Apr-06	IMD/FII/20/2006	FII investments in Debt Securities
19-Jan-07	IMD/FII & C/25/2007	FII investments in Debt Securities
31-Jan-08	IMD/FII & C/27/2008	FII investments in Debt Securities
06-Jun-08	IMD/FII & C/29/2007	FII investments in Debt Securities
06-Feb-09	IMD/FII & C/37/2009	Allocation methodology of debt investment limits to FIIs
12-May-09	IMD/FII & C/39/2009	Allocation methodology of debt investment limits to FIIs
04-Sep-09	IMD/FII & C/40/2009	Allocation methodology of debt investment limits to FIIs
15-Dec-09	IMD/FII & C/41/2009	Allocation methodology of debt investment limits to FIIs
11-Jun- 10	CIR/IMD/FII/3/2010	Allocation of Corporate debt investment limits to FIIs

Date of Circular	Reference	Title
06-Aug-10	CIR/IMD/FIIC/9/2010	Allocation of Government debt & Corporate debt investment limits to FIIs
26- Nov-10	CIR/IMD/FIIC/18/2010	Allocation of Government debt & Corporate debt investment limits to FIIs
08-Mar-11	CIR/IMD/FIIC/3/2011	Allocation of Government debt long term & corporate debt -old investment limits to FIIs
31-Mar- 11	CIR/IMD/FIIC/5/2011	FII Investment in corporate bonds infra long term category
29-Jul-11	CIR/IMD/FIIC/11/2011	Allocation of Government debt long term limits to FIIs
26-Aug-11	CIR/IMD/FIIC/15/2011	Infrastructure Finance Companies(IFCs)-- as eligible issuers for FIIs investment limit in debt instrument for infrastructure
30-Sep-11	CIR/IMD/FIIC/18/2011	Revisions in FII Investments in corporate debt long term infra category
18-Nov-11	CIR/IMD/FIIC/20/2011	Increase in FII debt limit in Government & Corporate debt category
03-Jan-12	CIR/IMD/FIIC/1/2012	Changes in Re-investment period of FII debt limit
13-Jan-12	CIR/IMD/FII&C/3/2012	Investment by Qualified Foreign Investors (QFI) in Indian equity shares.
17-Feb-12	CIR/IMD/FIIC/5/2012	Allocation of Corporate debt long term category to FIIs.
12-Mar-12	CIR/IMD/FIIC/09/2012	Allocation of debt limits in corporate debt old and Government Debt long term category to FIIs
27-Apr-12	CIR/IMD/FIIC/12/2012	Auction calender for allocation of FII debt limit
07-Jun-12	CIR/IMD/FII&C/13/2012	Revision in framework for Qualified Foreign Investor (QFI) investment in Equity Shares and Mutual Fund schemes
26-Jun-12	CIR/IMD/FII&C/15/2012	FII Investment in Government debt long term and corporate debt log term infra category
07-Nov-12	CIR/IMD/FIIC/22/2012	Debt Allocation Mechanism for FII
01-Jan-13	CIR/IMD/FIIC/1/2013	Debt Allocation Mechanism for FII

Date of Circular	Reference	Title
08-Feb-13	CIR/IMD/FIIC/3/2013	Increase in FII debt limit for Government and Corporate Debt category
01-Apr-13	CIR/IMD/FIIC/6/2013	Rationalisation of Debt Limits
12-Jun-13	CIR/IMD/FIIC/8/2013	Enhancement in Foreign Investment limits in Government debt
31-Jul-13	CIR/IMD/FIIC/11/2013	Utilisation period for Government Debt Limits
13-Sep-13	CIR/IMD/FIIC/15/2013	Debt Allocation Mechanism for FII/QFI-Government debt securities
29-Jan-14	CIR/IMD/FIIC/3/2014	Change in Government Debt Investment Limits
14-Feb-14	CIR/IMD/FIIC/4/2014	FII/QFI investments in Commercial papers
07-Apr-14	CIR/IMD/FIIC/8/2014	Change in investment conditions / restrictions for FII/QFI investments in government debt securities
23-Jul-14	CIR/IMD/FIIC/17/2014	Change in Government Debt Investment Limits
09-Oct-14	CIR/IMD/FIIC/19/2014	Clarification on Government Debt Investment Limits
05-Feb-15	CIR/IMD/FIIC/2/2015	Change in investment conditions for FPI investments in Government Debt securities
06-Oct-15	CIR/IMD/FIIC/8/2015	Investments by FPIs in Government securities
29-Mar-16	IMD/FPIC/CIR/P/2016/45	Investments by FPIs in Government securities
03-Oct-16	IMD/FPIC/CIR/P/2016/107	Investments by FPIs in Government securities
03-Apr-17	IMD/FPIC/CIR/P/2017/30	Investments by FPIs in Government securities
04-Jul-17	IMD/FPIC/CIR/P/2017/74	Investments by FPIs in Government securities
04-Oct-17	IMD/FPIC/CIR/P/2017/113	Investments by FPIs in Government securities
20-Dec-17	IMD/FPIC/CIR/P/2017/129	Investments by FPIs in Government securities
29-Mar-11	CIR/IMD/FIIC/4/2011	Dissemination of further information about FII activity-Discontinues of Reporting

Date of Circular	Reference	Title
09-Jul-13	CIR/IMD/FIIC/9/2013	FII/QFI investments in Security Receipts
28-Nov-13	CIR/IMD/FIIC/19/2013	Investments by FII/QFIs in Credit Enhanced Bonds
20-Jan-14	CIR/MRD/DRMNP/2/2014	FII Position Limits in Exchange Traded Interest Rate Futures (IRF)
17-Jun-17	CIR/IMD/FIIC/13/2014	Investments by FPIs in Non-Convertible/Redeemable preference shares or debentures of Indian companies
03-Feb-15	CIR/IMD/FIIC/1/2015	Change in investment conditions/restrictions for FPI investments in Corporate Debt securities
15-Mar-16	CIR/IMD/FPIC/39/2016	Investments by FPIs in REITs, InvIts, AIFs and corporate bonds under default
04-Aug-16	SEBI/HO/IMD/FPIC/CIR/P/2016/67	Foreign Investment in Rupee denominated bonds issued overseas by Indian Corporates
02-Jan-17	IMD/HO/FPIC/CIR/P/2017/001	Reference to Circular no. FITTC/FII/02/2002 dated May 15, 2002-In regard to credit of proceeds due to write off of securities held by Foreign Portfolio Investors/deemed Foreign Portfolio Investors
28-Feb-17	SEBI/HO/IMD/FPIC/CIR/P/2017/16	Investments by FPIs in corporate debt securities
20-Jul-17	IMD/FPIC/CIR/P/2017/81	Investments by FPIs in Coporate Debt
29-Sep-17	SEBI/HO/IMD/FPIC/CIR/P/2017/112	Foreign Portfolio Investment in Corporate debt securities
15-Nov-17	IMD/FPIC/CIR/P/2017/121	Investments by FPIs in Hybrid Securities
08-Mar-18	IMD/FPIC/CIR/P/2018/46	Separate limit of Interest Rate Futures (IRFs) for Foreign Portfolio Investors (FPIs)
12-Apr-18	SEBI/IMD/FPIC/CIR/P/2018/70	Investments by FPIs in Government and Corporate debt securities
27-Apr-18	IMD/FPIC/CIR/P/2018/74	Amendment to SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated April 5,2018 on Monitoring of Foreign Investment limits in listed Indian companies
17-May-18	SEBI/HO/IMD/FPIC/CIR/P/2018/81	Amendment to SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated April 5,2018 and Circular No. IMD/FPIC/CIR/P/2018/74 dated April 27,2018 on Monitoring of Foreign Investment limits in listed Indian companies

Date of Circular	Reference	Title
15-June-18	IMD/FPIC/CIR/P/2018/101	Review of Investment by Foreign Portfolio Investors (FPI) in Debt
13-Jul-18	IMD/FPIC/CIR/P/2018/114	Investment by Foreign Portfolio Investors (FPI) through primary market issuances
13-Dec-18	SEBI/HO/IMD/FPIC/CIR/P/2018/150	Clarification on clubbing of Investment limits of Foreign Portfolio Investors ("FPIs")
08-May-19	IMD/FPIC/CIR/P/2019/62	Permitting Foreign portfolio Investors (FPI) to invest in Municipal Bonds
31-Oct-01	FITTC/CUST/14/2001	Issuance of Derivative Instruments by Registered Foreign Institutional Investors (FII
08-Aug-03	IMD/CUST/8/2003	Issuance of Offshore Derivative Instruments by Registered Foreign Institutional Investors (FII
20-Nov- 03	IMD/CUST/9/2003	Issuance of Offshore Derivative Instruments by Registered Foreign Institutional Investors (FII)
02-Apr-04	IMD/CUST/15/2004	Reporting of Offshore Derivative Instruments by Registered Foreign Institutional Investors (FII)
17-Jan-11	CIR/IMD/FIIC/1/2011	Reporting of Offshore Derivative Instruments(ODIs)/ Participatory Notes(PNs) activity
18-Jan-11	CIR/IMD/FIIC/2/2011	Addendum to the Circular No. CIR/IMD/FIIC/1/2011
12-May-11	CIR/IMD/FIIC/6/2011	Reporting of Offshore Derivative Instrument s(ODIs)/ Participatory Notes(PNs) activity
15-Jun-11	CIR/IMD/FII&C/7/2011	Reporting of Offshore Derivative Instruments(ODIs)/ Participatory Notes(PNs) activity
07-Jun12	CIR/IMD/FIIC/14/2012	Reporting of Offshore Derivative Instruments (ODIs)/ Participatory Notes (PNs) activity
24-Nov- 14	CIR/IMD/FIIC/ 20 /2014	Conditions for issuance of Offshore Derivative Instruments under SEBI (Foreign Portfolio Investor) Regulations, 2014
10-Jun-16	CIR/IMD/FPI&C/59/2016	Know Your Client (KYC)norms for ODI subscribers, transferability of ODIs, reporting

Date of Circular	Reference	Title
		of suspicious transactions, periodic review of systems and modified ODI reporting format.
29-Jun-16	CIR/IMD/FPI&C/61/2016	Clarification regarding grandfathering of ODI issuers and modification of replies of FAQ 70 and FAQ 71 of SEBI FAQs to SEBI (FPI) Regulations, 2014
07-Jul-17	CIR/IMD/FPI&C/76/2017	Guidelines for issuance of ODIs, with derivative as underlying, by the ODI issuing FPIs.

Annexure B

Form

SECURITIES AND EXCHANGE BOARD OF INDIA (FOREIGN PORTFOLIO INVESTORS) REGULATIONS, 2019

Application Form for Grant of Certificate of Registration as Foreign Portfolio Investor (FPI)

1. Details of the applicant:

1.1 Name of the applicant:

1.2 Registered /Residence Address of the applicant:

Address			
Postal Code		Country	
Telephone No.		Fax No	
Web-site			

1.3 Date of Birth/ incorporation /establishment/ formation:	*dd/mm/yyyy*

1.4 Date of commencement of business

dd/mm/yyyy

1.5 Place and Country of Birth/ incorporation/establishment/ formation:

Place		**Country**	

In case of Foreign Individual applicant, please specify the nationality and passport no. of the applicant:

Nationality		**Passport No.**	

1.6 Legal Entity Identifier:

1.7 Information pertaining to compliance officer (not applicable to individuals):

Name			
Job Title			
Telephone no		Fax No	
E-mail id			

2 Category of the applicant

2.1 Classification of applicant (please select the most appropriate category)*:

Type of Category	**Name of Sub-Category**
Category – I	
Category - II	

**The applicant should select only one category and sub-category, which is most appropriate for it. If the applicant selects more than one category or selects an incorrect category or sub-category, the application form shall be deemed to be defective and is liable to be rejected.*

2.2 Details for appropriately regulated entities seeking registration under Category I FPI

☐ **Investing entity** ☐ **Non- Investing entity**

2.3 Separate registration for the purposes of hedging the ODIs with derivatives as underlying in India?(*applicable only for Category I*)

☐ Yes ☐ No

2.4 Whether the applicant is seeking registration under Multi Investment Manager (MIM) structure?

☐ Yes ☐ No

2.5 If segregated portfolio is maintained for each sub-funds or share classes/ equivalent structures of the applicant, names of such sub-funds or share classes/ equivalent structures that intend to invest in India.

Sr. No.	Name of sub-funds or share classes/ equivalent structures that intend to invest in India

(Details can be provided under separate annexure)

2.6 Details of Investment Manager of FPIs which are registered under regulation 5 (a) of SEBI (FPI) Regulations, 2019 (as amended from time to time), if applicable or FPI seeking registration under MIM structure

Sr. No.	Name of Investment Manager	SEBI Registration No., if any

2.7 Details of eligible Category I entity registered under 5(a)(v)(B) of SEBI (FPI) Regulations, 2019 (as amended from time to time)

Name of entity	Country	Entity type as per Regulation 5(a)

2.8 Bank or subsidiary of bank declaration

☐ We are not a bank or a subsidiary of a bank
☐ We are a bank or a subsidiary of a bank and we/ group companies have a branch office or representative office in India

Name of entity

☐ We are a bank or a subsidiary of a bank and we/group companies do not have any branch office or representative office in India

2.9 Information regarding foreign investor groups:

☐ We share common ownership, directly or indirectly, of more than fifty percent or common control with other FPIs and are not exempt from regulation 22(4). Details of investor group are as below

Sr. No.	**Name of FPI/ ODI subscriber with whom the applicant shares, ownership of more than 50% or common control**	**If ODI subscriber, please mention the name of dealing FPI**	**Registration No. of FPI**

☐ In case Clubbing of investment limits of FPIs having common control is not being done in case of public retail funds as referred in Regulation 22(4), please provide following details:

Sr. No.	**Name of FPI**	**FPI Registration Number**	**Name of Common Controlling Person**

3. Details of Regulatory authority by which the applicant is regulated (If applicable)

Name			
Country		Web-site	
Registration Number/ Code with Regulator, if any			
Category / Capacity in which the applicant is Regulated			

4. Disciplinary History

Whether there has been any instance of violation or non-adherence to the securities laws , code of ethics/ conduct, code of business rules, for which the applicant or its

parent/holding company or associate / or promoter/ investment manager may have been subjected to criminal liability or suspended from carrying out its operations or the registration, has been revoked, temporarily or permanently or any regulatory actions that have resulted in temporary or permanent suspension of investment related operations in the applicant's home jurisdiction and has a bearing on obtaining FPI registration for investing in India? .

☐ Yes ☐ No

If yes, please furnish details in annexure

5. Details of the designated depository participant, custodian and designated bank appointed

5.1 Details of the DDP/Custodian

Name	
SEBI Registration number	

5.2 Details of designated bank:

Name of the Bank and Branch	
Address	

6. Details of prior association with the Indian securities market.

6.1 Whether the applicant was anytime registered as FPI, FII, sub account, QFI or FVCI with the Securities and Exchange Board of India.

☐ Yes ☐ No

If yes, then please provide details:

Name of the entity	**Registered/associated as**	**SEBI Registration No. (if applicable)**

7. Declaration and Undertaking

I/We, the applicant, do hereby declare that what is stated in the aforesaid application form (including the enclosed documents/annexures) is complete and true to the best of my/ our information and belief. I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it. I/we hereby apply for registration as Foreign Portfolio Investor in accordance with the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. Further, I/We have read and understood the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 and its operating guidelines issued by SEBI and shall abide with any other terms and conditions specified by SEBI from time to time. I/We hereby declare that I/we fulfill all the eligibility requirements under Regulation 4 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, including the fit and proper person criteria, under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 and I/we am/are eligible to register as a FPI.

We also declare that we have complied and will continue to comply with FEMA Act 1999 and rules & regulations made thereunder. I/We shall provide any additional information or documents or declarations and undertakings as may be required to ensure compliance with the Prevention of Money Laundering Act, 2002 and rules and regulations prescribed thereunder, FATF standards and circulars issued from time to time by SEBI, RBI or any other regulators from time to time.

I/ We undertake to abide by operational instructions/ directives as may be issued by Securities and Exchange Board of India, Reserve Bank of India or any other authority from time to time under provisions of the Act or any other applicable law.

Signature of Authorized Signatory(ies)	
Name	
Designation **(not applicable to individual persons)**	
Date	*dd/mm/yyyy*

Annexure to Form

(*Only applicable sections to be submitted*)

1. NON RESIDENT INDIANS (NRIs) AND/OR OVERSEAS CITIZEN OF INDIA (OCIs) AND/OR RESIDENT INDIAN (RI) DECLARATION

(not applicable for entities seeking registration under regulation 5(a)(i))

Section A- I: NRI/OCI/RI – Control:

1. ☐ There is no NRI/OCI/RI who exercises control over the FPI

   OR

   ☐ NRI/OCI/RI exercise control in us and we confirm that we will meet eligibility conditions mentioned within two years from the date of registration

2. ☐ The applicant is not controlled by an investment manager who in turn is controlled by NRI/OCI/RI.

   OR

☐ NRIs/OCI/RIs controlled Investment Manager (IM) is in control of the applicant and the said IM is:

   ☐ Appropriately regulated and is registered with SEBI as a non-investing FPI.

   OR

   ☐ Incorporated/setup under Indian laws and appropriately registered with SEBI.

3. ☐ We are a non-investing FPI directly or indirectly fully owned and/ or controlled by a NRI/ OCI/ RI.

4. ☐ We are an offshore fund for which no-objection certificate has been provided by SEBI in terms of SEBI (Mutual Funds) Regulations, 1996

SECTION B – II: NRI/OCI/RI – Entitlement in FPI

1. ☐ We confirm that there are no NRI/OCI/RI who are constituents/investors in the FPI

2. ☐ We confirm that NRIs/ OCIs/ RIs* as investors in the FPI and contributions by single NRI/OCI/RI including those of NRI/OCI/RI controlled Investment Manager

are below 25 percent of the corpus of the FPI and in aggregate is below 50 percent of the corpus of FPI

** Explanation: Resident Indian's contribution, if any, that is made through Liberalised Remittance Scheme (LRS) approved by Reserve Bank of India in our funds and our Indian exposure is less than 50%.*

OR

3. ☐ Investments by NRI/OCI/RI in the FPI are not meeting above condition(s) and we confirm that we will meet the condition(s) within two years from the date of registration.

   OR

4. ☐ None of the above restrictions/conditions mentioned in Section A & B are applicable to us as we are/shall be investing only in mutual funds in India through our FPI registration

2. Applicants undertaking investments on behalf of its clients
(Applicable only for entities seeking registration under regulation 5(b)(vii))

i. Clients are individuals and/or family offices.
ii. Clients are eligible for registration as FPI and are not dealing on behalf of third party.
iii. Applicable KYC prescribed by SEBI has been performed on the clients.
iv. The complete investor details of its clients is as below and we shall provide the same on quarterly basis (end of calendar quarter) by end of the following month to DDP.

	Details of client			
Sr. No.	Name	Country	Address	Type (Individual/ Family office)

Date:

Name of Applicant

(Signature block for Applicant)

Signature(s) of Authorised Person(s)

3. UNDERTAKING FROM INVESTMENT MANAGER UNDER REGULATION 5(a)(iv)(II) or 5(a)(v)(A), AS APPLICABLE

We ( ) are the Investment manager of ( ) and are responsible for investment activity of the fund. We also undertake that we shall be responsible and liable for all acts of commission and omission of (name of the Applicant) and other deeds and things done by them under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. We continue to meet eligibility requirements as applicable to Category I FPI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

Place:
Date:

(Signature block)
Signature(s) of Authorised Person(s)

4. UNDERTAKING FROM ELIGIBLE CATEGORY I ENTITY UNDER REGULATION 5(a)(v)(B)

We ( ), undertake that we shall be responsible and liable for all acts of commission and omission of (name of the Applicant) and other deeds and things done by them under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. We continue to meet eligibility requirements as applicable to Category I FPI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

Place:
Date:

(Signature block)

Signature(s) of Authorised Person(s)

5. ADDITIONAL KYC DETAILS

i. Correspondence Address of FPI Applicant ((if different from Registered Address)

Address			
Postal Code		Country	
Telephone No.		Fax No	
Web-site			

ii. Specify the proof of address submitted for address

iii. Contact Details (email ID is mandatory)

Tel. (Off.)		Tel. (Res.)	
Fax No.		Mobile No.	
Email ID			

iv. Latest available Net worth in INR (cannot be older than one year from the date of application; please provide date)

Net worth in INR	**As on**
	dd/mm/yyyy

v. Whether the applicant or the applicant's authorized signatories/ senior management is:

A politically exposed person	YES/NO
Related to a politically exposed person	YES/NO

vi. Does FPI wish KRAs to seek consent prior to permitting any intermediary to download their KYC information (YES / NO)

(If Yes, please provide below information)

Name of authorized representative of FPI (optional)	
Email id 1 (Mandatory) :	

Email id 2 (Optional) :	
Email id 3 (Optional) :	
Mobile number (optional):	

vii. Information in respect of authorized signatories/ senior management of FPI applicant

Sr. No.	**Name**	**Relationship with applicant (i.e., directors, authorized signatory etc.)**	**PAN (if applicable)**	**Nationality**	**Date of Birth (DD/MM/YYYY)**	**Residential/ Registered Address**	**Any government issued identity document number (example driving license)**
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**
1.							
2.							

Note: Column 8 be provided by Category II FPI only.

DEPOSITORY & BANK ACCOUNT OPENING RELATED INFORMATION

i. Mode of Operation for Sole/First Holder (in case of joint holdings, all the holders must sign) [applicable to Non-individuals]

☐ Any one single	
☐ Jointly by	
☐ As per resolution	
☐ Others (please specify)	

ii. I/We hereby request Depository Participant viz., _____ to open Depository account in my/our name as mentioned in the application form.

iii. I/We hereby request to open Special Non Resident Rupee Account (SNRA) in my/our name.

iv. Declaration and undertaking

a. I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant
b. We authorize custodian to operate the account through Power of Attorney (PoA) and not to receive credits automatically into our account.
c. We authorize custodian to send statement of account in electronic form and we will ensure the confidentiality of the password of the email, as applicable.
d. We authorize custodian to maintain appropriate house account details on depository platforms for the purpose of collection of monetary corporate benefits and any other similar activities on our behalf.

FOR OFFICE USE ONLY

Name of Depository Participant			
Address of Depository Participant			
DP ID		Client ID	

Emp. Name _____ Emp. Code _____

Emp. Designation _____Emp. Branch _____

_____
Signature

INSTITUTION DETAILS

Name _____
Code_____

Annexure C

Monthly Applications Report

The report pertaining to a month to be submitted by DDPs to SEBI by 10th of the following month in the format prescribed under:

Summary of the applications received and disposed during the month

Name of the DDP	Application type *	Opening balance	Received during the month	Disposed during the month	Pending as on last day of month	Average time taken for registration during the month**	No. of applications pending for registration for more than 30 days of receipt of application **	Reasons given regarding application(s) pending for more than 30 days **

* Indicate application type as

1. Fresh Registration

2. Continuance

** Applicable for application type Fresh Registration only.

Annexure D

Fee report

The report pertaining to a month to be submitted by DDPs/Depository to SEBI in the format prescribed under:

Sr. No.	Name of DDP	Name of FPI	Type of Fees (Registration/Continuance of registration/Change in category)	Category of FPI	Amount of Fees (US$)	Date of remittance in SEBI's Bank A/c	Registration Period for which the fee is paid

The Bank account details to which the payment is to be done electronically is as follows-

Bank Account Details:

Name of Bank Account	SECURITIES AND EXCHANGE BOARD OF INDIA
Name of Bank, Branch	Bank of India, Bandra Kurla Complex, Bandra (East), Mumbai 400051.
Saving Bank Account No	012210210000007
IFSC Code	BKID0000122
MICR Code No.	400013119
Swift Code No.	BKIDINBBBKC

If a DDP has not granted any registration/continuance of registration during the previous month, then it is required to send a "Nil" report.

Annexure E

Information of intermediate material shareholder/ owner entity illustration:

- FPI ABC, a trust, is held 75% by XYZ Ltd. (intermediate material shareholder/ owner) – therefore XYZ needs to be identified and the identification of underlying individuals / non-individuals having controlling ownership interest in the FPI OR control of XYZ should be identified
- XYZ is further controlled by PQR fund (trust)– Hence, PQR fund also needs to be identified on a look through basis.
- Mr. ST is holding 35% in PQR fund and Mr. UV is holding 15% in PQR fund - So, Mr. ST needs to be identified as BO.

Information of Intermediate material shareholder/ owner- on Ownership basis Name	**Direct / Indirect Stake**		**Names of the entity(ies) through which the stake in the FPI is held indirectly**	**Percentage stake held in the applicant**	**Country/ Nationality**	**Individual /Non-Individual**
XYZ Ltd.	Direct			*75*		Non-Individual

Information of Intermediate material shareholder/ owner- on control basis

Name	**Method of Control (Give Details including names of the intermediate structures, if any, through which control is exercised)**	**Percentage control on the applicant, if applicable**	**Country/Nationality**	**Individual/Non-Individual**
PQR fund	Management Share in XYZ Ltd.			Non-Individual
Mr. ST	Holds 35% shares of PQR Fund			Individual

Annexure F

Monthly reports by ODI issuing FPIs to SEBI



ODI Format.xlsx

Annexure G

Monthly ODI statement on SEBI website

Outstanding Notional Value of Offshore Derivative Instruments (ODIs) hedged by securities in India Vs Assets Under Custody (AUC) of FPIs.

[Crore]

Month	Notional value of ODIs on Equity, Debt, Hybrid Securities & Derivatives *	Notional value of ODIs on Equity, Debt & Hybrid Securites excluding Derivatives *	Notional value of ODIs on Equity *	Notional value of ODIs on Debt *	Notional value of ODIs on Hybrid Securities *	Notional value of ODIs on Derivatives *	AUC of FPIs #	Notional value of ODIs on Equity, Debt & Hybrid Securites excluding Derivatives as % of B
	A1	A2	A3	A4	A5	A6	B	C

**Figures compiled based on reports submitted by FPIs issuing ODIs*

#Figures compiled based on reports submitted by custodians & does not includes positions taken by FPIs in derivatives.

Column A2 is being provided which depicts the Total Value of ODI issued -with underlying as Equity ,Debt & Hybrid Securities but excluding derivatives

Column A3 is being provided which depicts the Total Value of ODI issued -with underlying as Equity

Column A4 is being provided which depicts the Total Value of ODI issued -with underlying as Debt

Column A5 is being provided which depicts the Total Value of ODI issued -with underlying as Hybrid Securities.

Column A5 is being provided which depicts the Total Value of ODI issued -with underlying as derivatives.

Column C is being provided which depicts the Total Value of ODI issued -with underlying as Equity, Debt & Hybrid Securities but excluding derivatives- as percentage of Assets under custody