



Foreign Portfolio Investors permitted to operate in International Financial Services Centre

The Securities and Exchange Board of India (SEBI), in partial modification of SEBI [International Financial Services Centre (IFSC)] Guidelines, 2015, has permitted registered Foreign Portfolio Investors (FPIs) to operate in the International Financial Services Center (IFSC) at Gujarat International Finance Tec-City (GIFT City). GIFT is India's first International Financial Services Centre and is proposed to be a global Financial and IT Services Hub in the lines of Global Financial Centers such as Singapore, Paris, Shanghai, etc.

Based on discussions with various market participants, SEBI has vide its circular dated 11 July 2017, amended the guidelines for participation/functioning of Eligible Foreign Investors (EFIs) and FPIs in IFSC. It has been decided to replace Clause 2 c) of the SEBI circular dated 11 July 2017 as follows:

Earlier clause

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.

Revised clause

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 carry out the due diligence on its own or it 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 an EFI.

Accordingly, a trading member of the recognized stock exchange in IFSC is given an option to carry out the due diligence on its own (as against the earlier requirement to 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.

Source: <http://www.sebi.gov.in>

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