



# TAX FLASH NEWS

16 November 2017



## Investments by FPIs in Hybrid Securities

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### Background

The daily Foreign Portfolio Investor (FPI) debt or equity investment data and the FPI Assets Under Custody (AUC) data is disseminated at present by the depositories (NSDL and CDSL).

FPIs are permitted to invest in REITs and InvITs, which are classified as hybrid securities. However, at present, these investments are not reflected in the daily FPI investment data or the monthly/fortnightly FPI AUC data as the investments details therein are classified as either debt or equity.

### SEBI Circular

The Securities and Exchange Board of India (SEBI) vide Circular No. IMD/FPIC/CIR/P/2017/121 dated 15 November 2017 has created a third category termed as “Hybrid Security” for the purpose of capturing and disseminating FPI investment data and FPI AUC data with respect to FPIs hybrid securities investments.

In this regard, the depositories shall put in place the necessary systems for the daily FPI reporting by the custodians and shall also disseminate on their websites, the AUC of the FPIs in debt, equity and hybrid securities.

This circular shall come into effect immediately.

Source: [www.sebi.gov.in](http://www.sebi.gov.in)

[www.kpmg.com/in](http://www.kpmg.com/in)

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