



SEBI approves easing of access norms for investment by Foreign Portfolio Investor (FPIs)

With reference to the 'Consultation Paper on Easing of Access Norms for Investment by FPIs'; Securities and Exchange Board of India (SEBI) received various comments on the proposals contained therein. After taking into consideration the comments received, SEBI has approved the following changes:

- a. Rationalisation of fit and proper criteria for FPIs.
- b. Modification in encumbrance obligation to enable statutory payments.
- c. Simplification of broad based requirement for FPIs.
- d. Discontinuance of requirements for seeking prior approval from SEBI in case of change in local custodian/ Designated Depository Participant (DDP) of FPI.
- e. Rationalization of procedure for submission of Protected Cell Company (PCC)/ Multi-Class Vehicle (MCV) Declarations and Undertakings and investor grouping requirement at the time of continuance of registration of FPIs.
- f. Permitting reliance on due diligence carried out by erstwhile DDP at the time of change of custodian/ DDP of FPIs.
- g. Exemption to FPIs having Multiple Investment Managers (MIM) structure from seeking prior approval from SEBI in case of Free of Cost transfer of assets.
- h. Simplification of process for addition of share class by FPIs.
- i. Permitting FPIs operating under the MIM structure to appoint multiple custodians.
- j. Permitting appropriately regulated Private Banks/ Merchant Bank to invest on their own behalf and also on behalf of their clients.
- k. Expansion of entities considered as "appropriately regulated persons" in terms of Regulation 5(b)(ii) of SEBI (Foreign Portfolio Investors) Regulations, 2014.
- l. Permitting broad based funds to regain the status in three months.
- m. Permitting conditional registration to existing India dedicated funds.

Accordingly, SEBI shall carry out the necessary amendments to SEBI (Foreign Portfolio Investors) Regulations, 2014 and issue necessary circular/guidelines to implement the aforesaid changes, in due course.

Source: https://www.sebi.gov.in/media/press-releases/dec-2017/sebi-board-meeting_37183.html#

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