



## SEBI issues Consultation Paper on easing of access norms for investment by FPIs

The Securities and Exchange Board of India ('SEBI') has issued press release no. 35/2017 pursuant to SEBI Board meeting on 21 June 2017. The salient features of the decisions taken in the Board meeting relevant to Foreign Portfolio Investors (FPIs) are as under:

- **Consultation Paper on easing of access norms for investment by FPIs**

SEBI proposes to carry out appropriate amendments to SEBI (Foreign Portfolio Investors) Regulations 2014 to ease the access norms for investments by FPIs in Indian securities market. Some of the proposed changes are as follows:

- Expansion of eligible jurisdictions for grant of FPI registration to Category I FPIs by including countries having diplomatic tie-ups with India
- Simplification of broad based requirements
- Rationalization of fit and proper criteria
- Permitting FPIs operating under the Multiple Investment Managers (MIM) structure and holding FVCI registration to appoint multiple custodians

Before implementing the aforesaid proposed changes to SEBI (Foreign Portfolio Investors) Regulations, 2014, the Board meeting approved the initiation of public consultation process.

- **Offshore Derivative Instruments (ODI)**

### *Regulatory Fees*

With effect from 1 April 2017, SEBI has decided to levy regulatory fees of USD 1000 on each ODI subscriber to be collected and deposited by the ODI issuing FPI, once every three years.

The above proposal shall be implemented through amendment of SEBI (Foreign Portfolio Investors) Regulations, 2014.

### *Issue of ODIs*

SEBI has also decided to prohibit ODIs from being issued against derivatives which are not for hedging purpose. The proposal shall be implemented by way of issue of circular.

Relevant link for SEBI press release - [http://www.sebi.gov.in/media/press-releases/jun-2017/sebi-board-meeting\\_35147.html](http://www.sebi.gov.in/media/press-releases/jun-2017/sebi-board-meeting_35147.html)

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

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