



## 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>

**Ahmedabad**

Commerce House V, 9th Floor,  
902 & 903, Near Vodafone House,  
Corporate Road,  
Pralhad Nagar,  
Ahmedabad – 380 051  
Tel: +91 79 4040 2200  
Fax: +91 79 4040 2244

**Bengaluru**

Maruthi Info-Tech Centre  
11-12/1, Inner Ring Road  
Koramangala, Bangalore 560 071  
Tel: +91 80 3980 6000  
Fax: +91 80 3980 6999

**Chandigarh**

SCO 22-23 (1st Floor)  
Sector 8C, Madhya Marg  
Chandigarh 160 009  
Tel: +91 172 393 5777/781  
Fax: +91 172 393 5780

**Chennai**

No.10, Mahatma Gandhi Road  
Nungambakkam  
Chennai 600 034  
Tel: +91 44 3914 5000  
Fax: +91 44 3914 5999

**Gurgaon**

Building No.10, 8th Floor  
DLF Cyber City, Phase II  
Gurgaon, Haryana 122 002  
Tel: +91 124 307 4000  
Fax: +91 124 254 9101

**Hyderabad**

8-2-618/2  
Reliance Humsafar, 4th Floor  
Road No.11, Banjara Hills  
Hyderabad 500 034  
Tel: +91 40 3046 5000  
Fax: +91 40 3046 5299

**Kochi**

Syama Business Center  
3rd Floor, NH By Pass Road,  
Vytilla, Kochi – 682019  
Tel: +91 484 302 7000  
Fax: +91 484 302 7001

**Kolkata**

Unit No. 603 – 604,  
6th Floor, Tower – 1,  
Godrej Waterside,  
Sector – V, Salt Lake,  
Kolkata 700 091  
Tel: +91 33 44034000  
Fax: +91 33 44034199

**Mumbai**

Lodha Excelus, Apollo Mills  
N. M. Joshi Marg  
Mahalaxmi, Mumbai 400 011  
Tel: +91 22 3989 6000  
Fax: +91 22 3983 6000

**Noida**

6th Floor, Tower A  
Advant Navis Business Park  
Plot No. 07, Sector 142  
Noida Express Way  
Noida 201 305  
Tel: +91 0120 386 8000  
Fax: +91 0120 386 8999

**Pune**

9th Floor, Business Plaza,  
Westin Hotel Campus  
36/3-B Koregaon Park Annex,  
Mundhwa Road,  
Pune 411 001  
Tel: +91 20 6747 7000  
Fax: +91 20 6747 7100

**Vadodara**

iPlex India Private Limited,  
1st floor office space, No. 1004,  
Vadodara Hyper, Dr. V S Marg  
Alkapuri  
Vadodara 390 007  
Tel: +91 0265 235 1085/232 2607/232 2672

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2017 KPMG, an Indian Registered Partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.