

Consultation paper on Draft Circular for “Simplified registration for Foreign Portfolio Investors (FPIs)”

1. Objective:

- 1.1. In terms of SEBI’s Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors dated May 30, 2024, every FPI applicant is required to submit a duly filled and signed Common Application Form (CAF) and ‘Annexure to CAF’ supported by required documents for registration.
- 1.2. It is observed that, in case of certain categories of FPI applicants, some of the relevant information is either already captured in Depositories’ CAF module or not applicable to such FPI applicants. It is seen that such information amounts upto around 45% of the number of fields in CAF.
- 1.3. Accordingly, in order to save significant time and efforts for aforementioned FPI applicants, in terms of reviewing the application and signing the CAF, it is proposed to seek only such information that is unique to the aforesaid applicants. This accounts for around 55% of the number of fields in CAF that is presently required to be filled by such FPI applicants.
- 1.4. The objective of this consultation paper is to seek comments/ views/ suggestions from the public on the draft circular titled “Simplified registration for Foreign Portfolio Investors (FPIs)” (placed at Annexure - A).

2. Public Comments:

- 2.1. Public comments are invited on the draft circular annexed to this consultation paper. The comments/suggestions should be submitted latest by October 15, 2024, through the following link:
<https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes>
- 2.2. The instructions to submit comments on the consultation paper are as under:



1. Before initiating the process, please read the instructions given on top left of the web form as "Instructions".
2. Select the consultation paper you want to comment upon from the dropdown under the tab – "Consultation Paper" after entering the requisite information in the form.
3. All fields in the form are mandatory.
4. Email ID and phone number cannot be used more than once for providing comments on a particular consultation paper.
5. If you represent any organization other than the types mentioned under dropdown in "Organization Type", please select "Others" and mention the type, which suits you best. Similarly, if you do not represent any organization, you may select "Others" and mention "Not Applicable" in the text box.
6. There will be a dropdown of Proposals in the form. Please select the proposals one- by-one and for each of the proposal, please record your level of agreement with the selected proposal. Please note that submission of agreement level is mandatory.
7. If you want to provide your comments for the selected proposal, please select "Yes" from the dropdown under "Do you want to comment on the proposal" and use the text boxes provided for the same.
8. After recording your response to the proposal, click on "Submit" button. System will save your response to the selected proposal and prompt you to record your response for the next proposal. Please follow this procedure for all the proposals given in the dropdown.
9. If you do not want to react on any proposal, please select that proposal from the dropdown and click on "**Skip this proposal**" and move to the next proposal.
10. After recording your response to all the proposals, you may see your draft response to all of proposals by clicking on "**Check your response before submitting**" just before submitting response to the last proposal in the dropdown. A pdf copy of the response can also be downloaded from the link given in right bottom of the web page.
11. The final comments shall be submitted only after recording your response on all of the proposals in the consultation paper.

2.3. Any technical issue in submitting your comment through web based public comments form, may be communicated through email to afdconsultation@sebi.gov.in with a subject: "Issue in submitting comments on draft circular - Simplified registration for Foreign Portfolio Investors (FPIs) "

Encl: Annexure A

Issued on: September 24, 2024

Annexure A

DRAFT CIRCULAR

SEBI/HO/AFD/AFD-PoD-3/P/CIR/2024/

October XX, 2024

To,

1. Foreign Portfolio Investors (“FPIs”)
2. Designated Depository Participants (“DDPs”) and Custodians
3. The Depositories

Dear Sir / Madam,

Subject: Simplified registration for Foreign Portfolio Investors (FPIs)

1. SEBI’s Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors dated May 30, 2024 *inter-alia* mandates every FPI applicant to submit a duly filled and signed Common Application Form (CAF) and ‘Annexure to CAF’ supported by required documents for registration.
2. During discussions with market participants, it has been represented that, in case of FPI applicants belonging to the following categories,
 - i) multiple funds of investing/non-investing Investment Manager (IM) wherein IM or one its funds is already registered as FPI;
 - ii) sub-funds of a master fund wherein the master fund/one of the sub-fund is already registered as FPI;
 - iii) sub-funds of a fund with separate classes of shares or equivalent structure with segregated portfolio wherein such fund/one of its sub fund is already registered as FPI and
 - iv) schemes of Insurance companies wherein the parent entity/one of the schemes of Insurance company is already registered as FPI;

information regarding the IM and other relevant information is already captured in depositories’ CAF module. Further, there are certain fields which are exclusive to

individual FPI applicants and hence will not be applicable to the applicants belonging to the aforesaid categories.

3. There has been feedback that an abridged version of CAF, having only those fields which are unique to the aforesaid applicants shall help save significant time and efforts in terms of reviewing the application and signing reduced number of pages.
4. Accordingly, with an objective to facilitate ease of onboarding for aforesaid FPI applicants and reduce duplication of available information, based on deliberations held with market participants, the following is decided:
 - a) In case of onboarding applicants belonging to the categories mentioned at Para 2 above, an abridged version of CAF having only those fields that are unique to such applicants shall be used.
 - b) The remaining fields shall either be auto populated from the information available in the Depository system or shall be disabled, as applicable.
 - c) While leveraging on the available information, an explicit consent to use the available information and confirmation that all the details other than those mentioned in the abridged version of CAF remain unchanged, shall be obtained from the applicant.
 - d) Custodians, upon receipt of information from the applicant, shall update the details in CAF against the registration number of the applicant for future reference purposes and ensure that the CAF Module in the Depository system reflects complete information (information filled in by applicants and those that are auto-populated from system) and seamless fetching of the same is possible.
5. The implementation standards shall be formulated by Custodians and Designated Depository Participants Standards Setting Forum (CDSSF), in consultation with SEBI.
6. Depositories, Custodians and Designated Depository Participants are advised to make necessary changes in their systems to effect the changes proposed above.

7. The provisions of this circular shall come into force with effect from XXXXXXXX XX, 2025.
8. This Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulations 3(2) and 44 of SEBI (Foreign Portfolio Investors) Regulations, 2019 to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
9. This Circular is available at www.sebi.gov.in under the link "Legal ---Circulars".