

SEBI Board Meeting - Key announcements for FPIs

1. Offshore Derivative Instruments ('ODIs')

The SEBI had released a consultation paper a few weeks ago on monitoring of ODIs. It has been decided by the SEBI Board to levy a "Regulatory Fee" of USD 1,000 on each ODI subscriber, to be collected and deposited by the ODI issuing FPI of such ODI subscriber, once every three years, starting from April 1, 2017. The SEBI shall amend the SEBI (FPI) Regulations, 2014 to implement the same.

The SEBI Board has also decided to prohibit ODIs from being issued against derivatives, except on those which are used for hedging purposes. The SEBI will issue a circular in this regard.

2. Consultation paper to be issued on easing of access norms for investment by FPIs

To further ease the access norms for investments by FPIs in Indian securities market, SEBI proposes to amend the SEBI (FPI) Regulations, 2014, and issue the necessary circulars/ guidelines. Some of the norms proposed to be liberalized include :-

1. Expansion of eligible jurisdictions for grant of FPI registration to category I FPIs by including countries having diplomatic tie-ups with India.
2. Simplification of broad based requirements.
3. Rationalization of fit and proper criteria.
4. Permitting FPIs operating under the Multiple Investment Managers structure and holding Foreign Venture Capital Investors registration to appoint multiple custodians.

The SEBI Board has approved initiation of public consultation process before implementing the above mentioned changes.

3. Growth and Development of Equity Derivatives Market in India

The SEBI Board has decided to have a stakeholder consultation on the need to review the derivatives market framework including product suitability for investors so as to further strengthen the framework in line with the emerging trends and global best practices.

You may click [here](#) to access a copy of the Press Release containing the decisions taken by the SEBI Board.

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