

# What's New

## News Flash



December 2018

### ***Clubbing of investment limits for Foreign Portfolio Investors***

Key decisions impacting Foreign Portfolio Investors (FPIs) taken by Securities and Exchange Board of India (SEBI) in its Board meeting held today:

#### **I. Clubbing of investment limits for FPIs**

SEBI had in the Circular dated 10 April 2018 on KYC requirements for FPIs stated that clubbing of investment limit (10 percent of issued capital of investee company) shall be on the basis of common beneficial owner (BO) identified on the basis of ownership or control or a senior managing official (SMO) applying the parameters laid down in the Circular. There were certain concerns around clubbing on the basis of control and SMO.

Considering the recommendations of the working group formed under the Chairmanship of Shri H. R. Khan, Deputy Governor (Retired), Reserve Bank of India, SEBI Board has approved that the clubbing of investment limit for FPIs will be on the basis of common ownership of more than 50 percent or common control. However, in the case of appropriately regulated public retail funds, investment limits will not be clubbed on the basis of common control.

Effectively, a common SMO will not trigger clubbing of investment limit for FPIs.

Necessary amendments to SEBI (Foreign Portfolio Investors) Regulations, 2014 will be carried out and/or circular/guidelines will be issued to implement the changes.

#### **II. Innovators Growth Platform (earlier known as Institutional Trading Platform)**

Hitherto, a company which is intensive in the use of technology, information technology, intellectual property, data analytics, bio-technology or nano-technology to provide products, services or business platforms with substantial value can list on Innovators Growth Platform provided 25 percent of the pre-issue capital is held by Qualified Institutional Buyers (which includes Category I & II FPI) as on the date of filing of draft information document or draft offer document with SEBI.

The SEBI Board has approved that 25 percent of the pre-issue capital of the Issuer Company should have been held at least for 2 years by, *inter-alia*, Qualified Institutional Buyers or a Category III FPI.

Please click [here](#) to access the SEBI Press Release.

If your interest lies in a specific area or subject, do advise us so we can send you only the relevant alerts. For any additional information, please reach out to your PwC relationship manager or write in to [\*\*\*pwctrs.knowledgemanagement@in.pwc.com\*\*\*](mailto:pwctrs.knowledgemanagement@in.pwc.com)

With Best Regards  
PwC TRS Team

### **About PwC**

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with more than 236,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com).

In India, PwC has offices in these cities: Ahmedabad, Bengaluru, Chennai, Delhi NCR, Hyderabad, Jamshedpur, Kolkata, Mumbai and Pune. For more information about PwC India's service offerings, visit **[www.pwc.com/in](http://www.pwc.com/in)**

PwC refers to the PwC International network and/or one or more of its member firms, each of which is a separate, independent and distinct legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

©2018 PwC. All rights reserved

Follow us on [Facebook](#), [LinkedIn](#), [Twitter](#) and [YouTube](#).

© 2018 PricewaterhouseCoopers Private Limited. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers Private Limited (a limited liability company in India having Corporate Identity Number or CIN : U74140WB1983PTC036093), which is a member firm of PricewaterhouseCoopers International Limited (PwCIL), each member firm of which is a separate legal entity

---

***Our Tax & Regulatory Services*** **Direct Tax** **Indirect Tax** **Transfer Pricing** **Regulatory** **M & A**  
**Tax Controversy and Dispute Resolution** **Financial Services**

---

NOTE : If you wish to unsubscribe receiving communications, please send in a blank email as reply to this mail with subject line "Unsubscribe".

---