

Making business
decisions easier



INDIA JURIS
International Law Firm

Registration of FPI in India

2023

About India Juris



INDIA JURIS
International Law Firm

25⁺
Years

45⁺
Lawyers

5
Offices

350⁺
Transactions
Annually



VENTURE
INTELLIGENCE

India Juris is No.1 for maximum no. of PE transactions Jan - June 2023

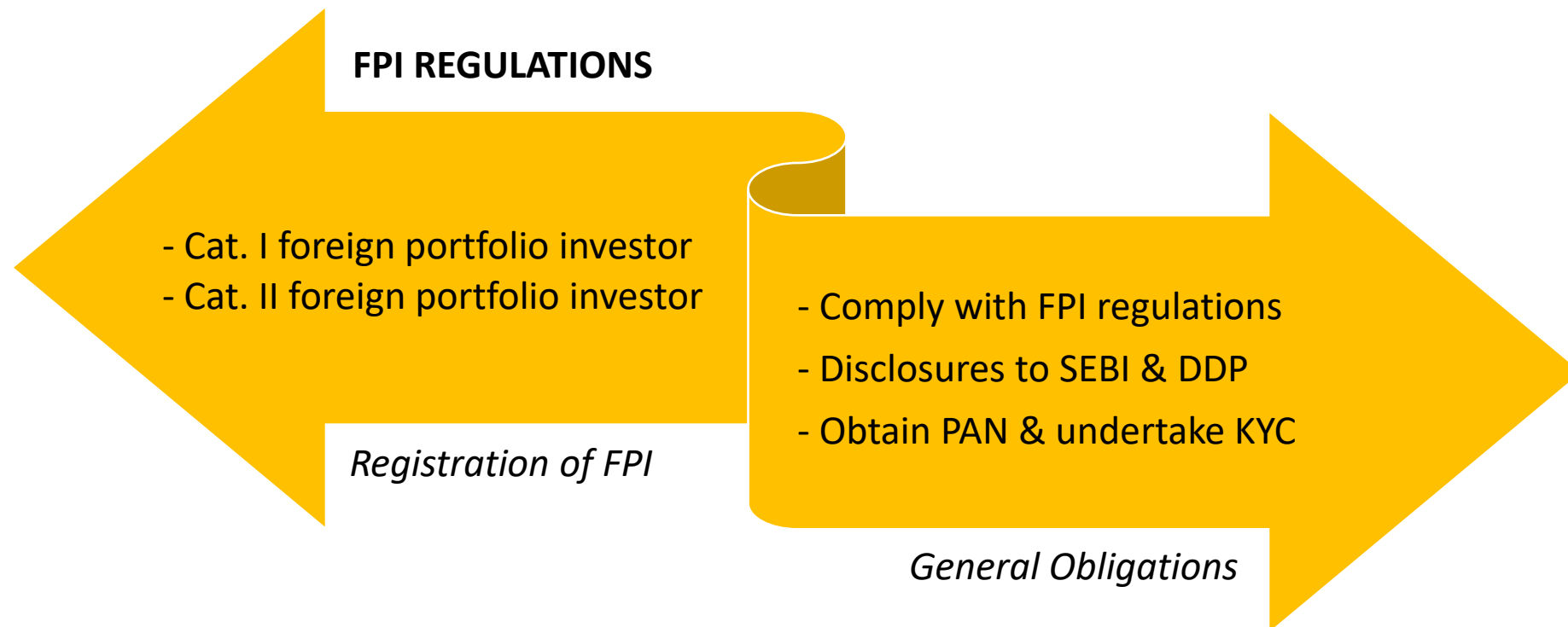
INDIA JURIS is a leading international full-service law firm from India, which has earned reputation over the years advising on complex transactions and dispute resolutions to Banks, Financial Institutions, Creditors, Multinational and Domestic Corporates, Private Equity, Venture Capital, Hedge Funds and HNIs on various legal matters across all sectors.

For various other credentials and rankings of the firm, please visit our website www.indiajuris.com

Snapshot of SEBI (FPI) regulations



SEBI (Foreign Portfolio Investors) Regulations, 2019 were notified in September 2019 to provide framework for registration and procedures regarding foreign investors



Registration of Foreign Portfolio Investors



Certificate as FPI by DDP Reg. 3

For registration as FPI, one has to obtain a certificate granted by a Designated Depository Participant (DDP). Application for certificate to DDP shall be made with fees: \$2500 – Cat. I & \$250 – Cat. II (Sch.2)

Eligibility criteria of FPI Reg. 4

Applicant for FPI registration shall be:

- Not a resident Indian;
- Not a NRI or overseas citizen of India;
- Resident Indian/ NRI/ overseas citizen of India, if permitted by SEBI from time to time
- Resident Indian may be constituent of the applicant if :
 - ✓ The Resident Indian is an eligible fund manager of the applicant or is a Sponsor or Manager of the applicant, or
 - ✓ The Resident Indian is an eligible investment fund as per Income Tax Act, 1961, or
 - ✓ The applicant is an AIF setup in IFSC.
- Resident of a country whose securities market regulator is signatory to IOSCO's Multilateral MoU or Bilateral MoU with SEBI;
- Government or government related investor, if approved by Government of India;
- Bank of a country whose central bank is member of BIS
- Applicant contributing 25% or more shall not be from sanctioned list of FATF

Categories of FPI (1/2)



The Applicant seeking registration as FPI may apply in one of the categories – CAT-1 / CAT-2

CATEGORY I Reg. 5(a)

1. Government & government related investors such as central banks, sovereign wealth funds, international or multilateral organizations or agencies including entities controlled or at least 75% directly or indirectly owned by such Government and Government related investor;
2. Pension funds and university funds;
3. Regulated entities such as insurance/ reinsurance entities, banks, asset management companies, investment managers, investment advisors, portfolio managers etc.;
4. Entities from FATF member countries, which are regulated funds, unregulated funds whose investment manager is registered as a Cat I FPI or university related endowments of 5 yrs or older universities
5. Entities whose investment manager is from FATF country & the investment manager is registered as Cat. I FPI

Categories of FPI (2/2)



CATEGORY II Reg. 5(b)

All investors not covered under Cat. I, FPI such as :

1. appropriately regulated funds not eligible as Category-I foreign portfolio investor;
2. endowments and foundations;
3. charitable organisations;
4. corporate bodies;
5. family offices;
6. Individuals;
7. appropriately regulated entities investing on behalf of their client, as per conditions specified by the Board from time to time;
8. Unregulated funds in the form of limited partnership and trusts

*IFSCA regulated entities are considered appropriately regulated.

Certificate of Registration



<p>Grant of Certificate Reg. 7</p>	<ol style="list-style-type: none">1. DDP will grant certificate of registration on behalf of SEBI as per Schedule 1, if the applicant is eligible and fulfils the requirements of SEBI (FPI) regulations.2. DDP will dispose application within 30 days from receipt of application3. Fees: \$2500 for Cat. I and \$250 for Cat. II registration will be remitted to SEBI by DDP after grant of registration
<p>Suspension, cancellation or surrender Reg. 8</p>	<ol style="list-style-type: none">1. Registration may be cancelled by SEBI or surrendered by the FPI;2. Suspension and cancellation shall be dealt as per SEBI (Intermediaries) Regulations, 2008;3. Deemed surrender: when FPI fails to pay fees for continuance of registration & does not hold any derivative, cash or security position in India;

Restrictions & Conditions on Investment



Permissible investments (Reg. 20)

- (a) shares, debentures & warrants issued by a body corporate; listed or to be listed on a recognized stock exchange in India;
- (b) units of schemes launched by mutual funds under SEBI (Mutual Fund) Regulations, 1996;
- (c) units of schemes floated by a Collective Investment Scheme as per SEBI (CIS) Regulations, 1999;
- (d) derivatives traded on a recognized stock exchange;
- (e) units of REITs, INFITs and units of Cat. III AIFs registered with SEBI
- (f) Indian Depository Receipts;
- (g) any debt securities or other instruments as permitted by the RBI for FPIs to invest in from time to time; and
- (h) such other instruments as specified by the Board from time to time.

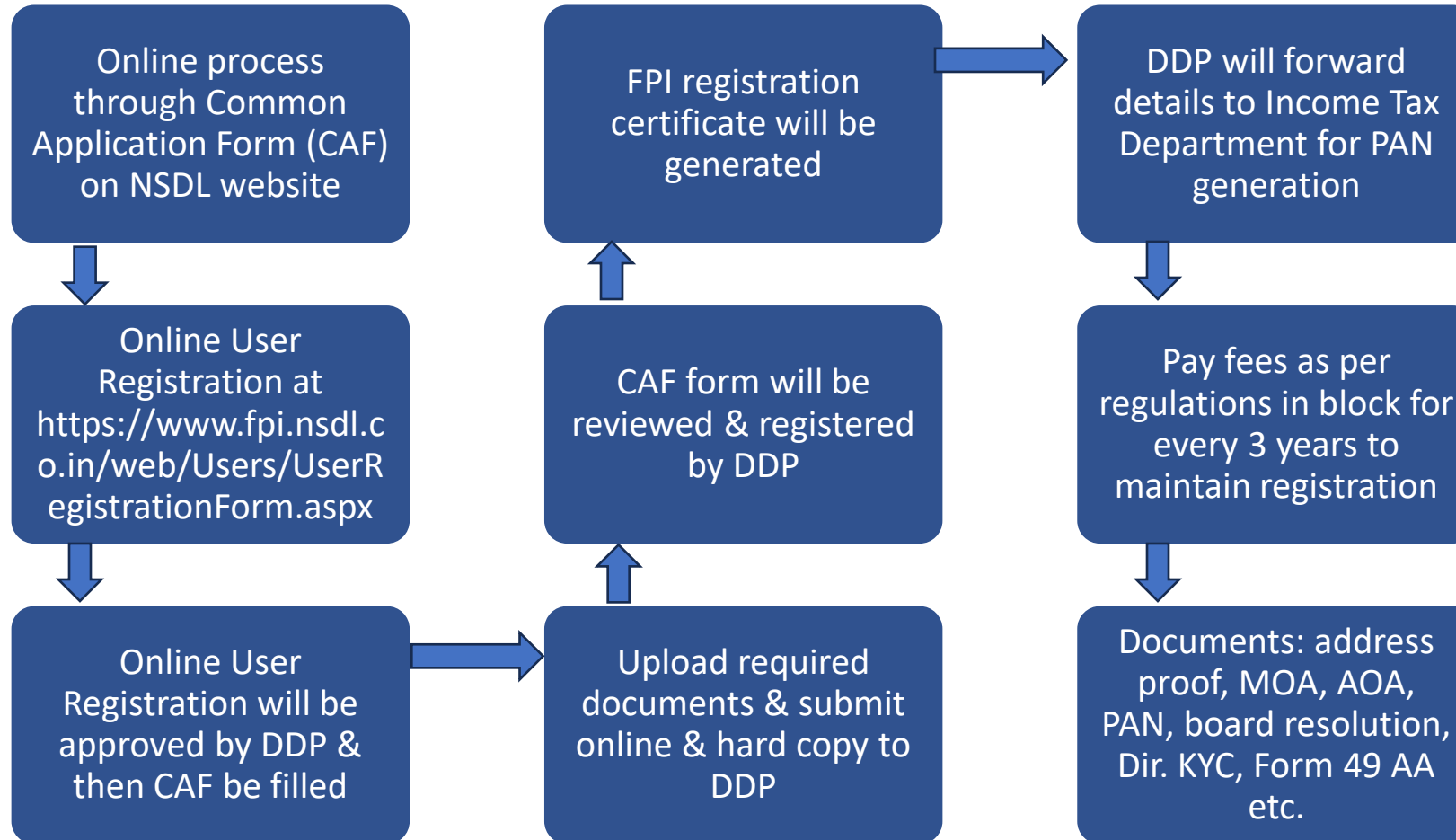
Additional conditions applicable on Secondary Market:

1. FPI to transact only on basis of taking or giving delivery of securities purchased or sold, except derivatives on recognised stock exchange, short selling as per SEBI or transactions with merchant bankers for market making or subscribing to unsubscribed portion of the issue as per SEBI (ICDR)
2. FPI transactions only through stock-brokers, unless govt securities, RBI regulated securities, SAST, delisting regulations, buy-back, disinvestment by state or central govt etc. (Reg. 20(4)(d))

Investment Restriction:

3. Single FPI can hold below 10% equity paid-up capital in the company

FPI Registration Process Chart



How India Juris Can Help

Scope of Work (End-to-End Support)

- Advising on various issues related to FPI operations and registration
- Documentation relating to FPI Registration.
- Assistance in making applications as per the applicable guidelines.
- Assistance on compliance related issues.
- Coordination with the concerned regulatory authority for FPI Registration.
- Assist in securing FPI Registration.
- Legal support during the registration process.
- End-to-end support

Professional fee- India Juris shall charge most competitive fixed professional fee for the assignment. All out of pocket expenses are charged extra in addition to above fee at actuals.

Contact us:

New Delhi

newdelhi@indiajuris.com

Mumbai

mumbai@indiajuris.com

Making business
decisions easier

Registration of FPI in India

Advising clients across the Globe on
most complex transactions and disputes

F-116, Lajpat Nagar-1, New Delhi -110024
Ph: +91-11-29814816, 29814817, 49873283
Email: newdelhi@indiajuris.com

Unit No. FF38, Pragya Accelerator, Block-15,
Zone-1, Road No.-11, Processing Area GIFT
SEZ, GIFT City, Gandhinagar – 382355
(Gujarat, India)
Email: giftcity@indiajuris.com

Bizzhub Aspire Center, #36, 1st Floor
80ft Road, Ejipura, Koramangala, Bengaluru-
560034, Karnataka
Ph: 8929197211
Email: bengaluru@indiajuris.com

434-435, 4th Floor, Vipul Trade Centre
Sec-48, Sohna Road, Gurgaon, Haryana, India
Ph: +91-124-4385072
Email: gurgaon@indiajuris.com

Technopolis Knowledge Park, 5th floor, Mahakali Caves
Road, Chakala, Andheri - (East), Mumbai- 400093,
Maharashtra, India
Email: mumbai@indiajuris.com



INDIA JURIS

International Law Firm

India Juris refers to India Juris operating in India including SR India Juris LLP registered with IFSCA in GIFT City. Nothing contained in this document shall be deemed or construed as legal advice. Readers are suggested to take appropriate legal advice from the qualified counsel. India Juris shall have no liability whatsoever with respect to any action or omission done by any person based on this document.

© 2023 India Juris