

**MEMO# 31303**

July 27, 2018

## **Draft Letter on SEBI KYC Norms for Foreign Portfolio Investors - Comments Due by COB July 31**

[31303]

July 27, 2018 TO: ICI Global Investing Subcommittee  
ICI Global Regulated Funds Committee  
International Operations Advisory Committee  
SEC Rules Committee  
Securities Operations Advisory Committee  
Tax Committee RE: Draft Letter on SEBI KYC Norms for Foreign Portfolio Investors - Comments Due by COB July 31

As we previously informed you,[\[1\]](#) in April 2018, the Securities and Exchange Board of India (SEBI) issued a circular (Circular) making changes that tighten the know your client (KYC) requirements applicable to foreign portfolio investors (FPIs).[\[2\]](#) The Circular makes changes in the following areas: (1) identification and verification of beneficial owners (under an expanded definition), with a specific format prescribed for reporting of beneficial owner information, (2) periodical KYC review, (3) requirement for FPIs to provide undertaking to the custodian on exempted documents, (4) clubbing of investments for the purpose of monitoring investment limits, and (5) bearer shares structure not permitted. The new requirements are applicable from the date of the Circular; existing FPIs must be compliant with the new norms by October 9, 2018.

Based on the discussion during the member call held on July 18, we have drafted a letter to SEBI requesting relief on two issues that have been identified as most problematic for regulated fund FPIs: (1) disclosure of personal information of senior managing officials, and (2) clubbing of investments based on senior managing official beneficial owner for purposes of the Indian securities investment limits. The letter additionally requests that SEBI extend the compliance deadline for FPIs to the later of April 10, 2019, or the FPI's date of registration renewal.

Please provide your comments on the draft letter to me by COB on Tuesday, July 31. I can be reached at 202-326-5837 or [emykolenko@ici.org](mailto:emykolenko@ici.org).

Eva M. Mykolenko

[Attachment](#)

**endnotes**

[1] See ICI Global Memorandum No. 31278 (July 9, 2018), *available at* <https://www.iciglobal.org/iciglobal/pubs/memos/memo31278>.

[2] The Circular is *available at* [https://www.sebi.gov.in/legal/circulars/apr-2018/know-your-client-requirements-for-foreign-portfolio-investors-fpis-\\_38618.html](https://www.sebi.gov.in/legal/circulars/apr-2018/know-your-client-requirements-for-foreign-portfolio-investors-fpis-_38618.html).

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