

MEMO# 20149

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Securities and Exchange Board of India Increases Registration Fees for Foreign Institutional Investors

©2006 Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice. [20149] June 30, 2006 TO: INTERNATIONAL COMMITTEE No. 18-06 INTERNATIONAL INVESTING SUBCOMMITTEE No. 13-06 INTERNATIONAL OPERATIONS ADVISORY COMMITTEE No. 14-06 RE: SECURITIES AND EXCHANGE BOARD OF INDIA INCREASES REGISTRATION FEES FOR FOREIGN INSTITUTIONAL INVESTORS Earlier this week, the Securities and Exchange Board of India (SEBI) announced a significant increase in the registration fees for Foreign Institutional Investors (FIIs) and a reduction of the duration of registrations.¹ Specifically, SEBI: • Doubled the FII registration fee from US \$5,000 to \$10,000; • Doubled the subaccount registration fee from US \$1,000 to \$2,000; and • Reduced the duration of FII and subaccount registrations from five years to three years so that the increased fees will come due more frequently. The new fee schedule became effective upon its announcement on June 26, 2006. FII and/or subaccount registration and renewal applications received by SEBI on or after that date are subject to the new fee schedule. Existing FII and subaccount registrations will be subject to the new provisions upon their next renewal. We had briefly raised the issue of FII registration fees in the draft letter to SEBI that was circulated on June 29.² The applicable section of the letter will be revised to reflect these recent developments. Glen S. Guymon Assistant Counsel - International Affairs

¹ The new fee schedule was announced as a series of amendments to the FII regulations. The amendments are available online at <http://www.sebi.gov.in/acts/fiiam.html>. The full regulations are available at <http://www.sebi.gov.in/acts/act07a.html>. ² See Memorandum No. 20146, dated June 29, 2006.