

## **STANDARD OPERATING PROCEDURE FOR REGISTRATION OF FOREIGN PORTFOLIO INVESTORS**

Dated : 02 August 2024

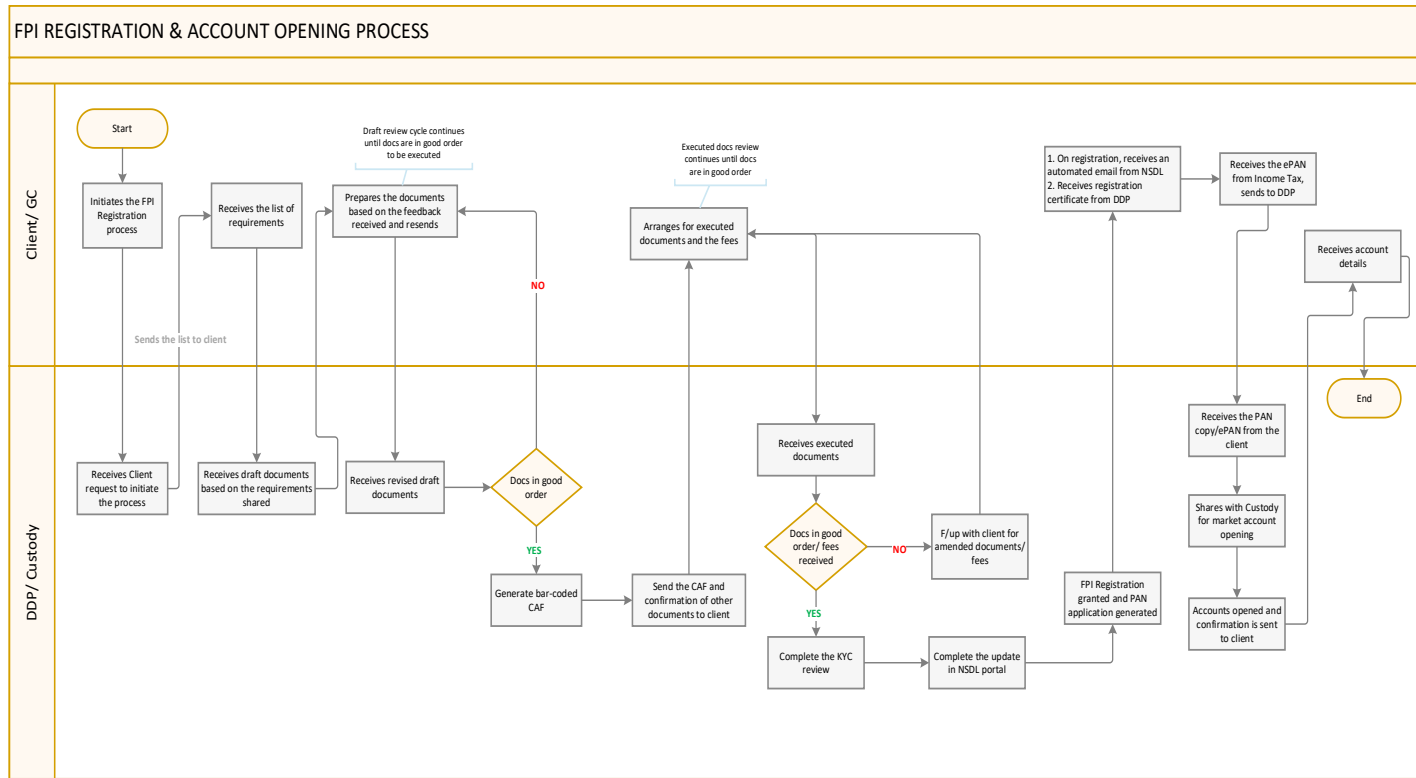
The Securities and Exchange Board of India (SEBI) has under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, (FPI Regulations) as modified from time to time, established a category of market intermediary, the Designated Depository Participants (DDPs), to grant registration to Foreign Portfolio Investors (FPIs), to invest in Indian securities market. SEBI has further issued Master Circular dated May 30, 2024, to provide guidance on process for grant of registration and maintenance of static data of the registered FPIs.

In order to standardize the processes followed by the various DDP's operating in the market, the following "STANDARD OPERATING PROCEDURE FOR REGISTRATION OF FOREIGN PORTFOLIO INVESTORS", is being issued to serve as guidance for the DDPs in concurrence with SEBI.

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## Registration and account opening workflow



## 1. Granting of Fresh Registration

Custodian to share the latest FPI registration documentation checklist with Global Custodian / FPI Applicant. The DDPs to ensure the following documentation is provided by the FPI Applicant for the grant of registration under appropriate category as per FPI Regulation 2019:

- i. Registration Documents which include the below:
  - a. Common Application Form (CAF)
  - b. Annexure to CAF
  - c. Fees for SEBI registration – as follows.

Activity	Category	SEBI Registration Fee (USD)	GST [18%] (USD)	Total (USD)
Fresh Registration	I	2500	450	2950
	II	250	45	295

Note: In case PAN required, the PAN fees as applicable to be obtained additionally.

## ii. KYC Document

Below list of documents is as per the SEBI Master Circular, however there may be KYC documents which may differ from Custodian to Custodian and may be required on the exceptional basis, based on their Internal KYC requirements, which the FPI will have to provide.

Sr. No	Document Type	KYC Documentation Details	Category – I	Category – II
1	<b>Applicant Level</b>	Constitutive Docs (MoA, COI, prospectus etc.)	Required	Required
2		Proof of Address <sup>1</sup>	Required	Required
3		PAN	Required	Required
4		Board Resolution <sup>2</sup>	Not required	Required
5		FATCA / CRS form	Required	Required
6	<b>Authorised Signatories</b>	List of Signatures <sup>2</sup>	Required	Required
7	<b>UBO part of CAF<sup>3</sup></b>	Proof of Identity	Not Required	Required

- <sup>1</sup> Power of Attorney having address provided to Custodian OR as provided under Sec 9(B) of part (B) of the Master Circular, is accepted as address proof
- <sup>2</sup> Power of Attorney granted to Global custodian/ local custodian is accepted in lieu of Board Resolution (BR). BR and the authorized signatory list (ASL) are not required if SWIFT is used as a medium of instruction.
- <sup>3</sup> UBO is not required for Government and Government related entities.
- <sup>4</sup> All KYC documents are required to be certified or notarized. Alternatively, SWIFT in form of MT 599 from Global Custodian / Multilateral banks can also be considered.
- <sup>5</sup> Regulatory proof in the form of documentary evidence where applicable

#### Key Points to be checked as per the Master Circular

- a. FPIs to provide an undertaking that upon demand by Regulators/ Law Enforcement Agencies the exempted / relevant document/s would be submitted to the intermediary.
- b. For FPI Category – I coming from high-risk jurisdiction (other than those registered under Regulation 5(a)(i)), the KYC documentation equivalent to FPI Category II shall apply.
- c. For non-PAN related KYC documents (including KYC form), a local custodian can rely on KYC carried out by another entity of the same financial group (like a Global Custodian or Investment Manager) which is regulated and coming from an FATF member country, where KYC is carried out as per their home jurisdiction standards. Where this reliance is placed, such entity/ FPI shall provide an undertaking to the effect that the relevant KYC documents, would be submitted to the DDP/ Local Custodian when required by regulator/law enforcement agency/ government departments/ tax authority, etc. However, the Custodian / local intermediary will be required to collect constitution documents and BO related declarations (wherever applicable) of the FPI and also, upload the evidence of KYC reliance on KRA.
- d. Prospectus and Information Memorandum are acceptable in lieu of a constitutional document.
- e. Valid FATCA / CRS documentations is mandatorily required to be submitted at the time of account opening.
- f. Intermediary can verify the PAN of FPIs online from website authorized by the Income-Tax department. No certification of PAN document is required from FPI. Alternatively, e-PAN issued by CBDT can also be produced by FPI for KYC compliance without requiring any certifications. In such situations where the broker is relying on KRA, it shall verify the PAN and download the available documents from KRA. PAN is not mandatory for UBO, senior management and authorized signatories of FPI.
- g. In cases where PAN application by the FPI applicant is made via the CAF portal, the DDP/Custodian may verify the PAN of the FPI basis its availability on the CAF module hosted on the website of the depositories, where the PAN is reflected via an automated secure feed from the Income Tax department
- h. PAN is not mandatory for UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.

Power of Attorney given by FPI to Custodians specifying the address should be duly notarized and/or apostilled or consularised, as applicable.

- iii. Documents Related to Granular Disclosure:

- a. Acknowledgement in terms of SOP issued under SEBI Circular dated August 24, 2023, for Granular declaration (Granular Acknowledgement) except in case of Government and Government Related entities
- b. Documents related to exemption if the FPI is seeking exemption from Granular Disclosure

iv. Legal Entity (LE) Formation Document

<b>Document</b>	<b>FPI is not a Legal Entity</b>	<b>FPI itself is Legal Entity</b>
Cover Letter	Required	Optional
Annexure A (KYC Form for Legal Entity)	Required	NA
Formation Document	Required	Required

List of documents / formats attached in the excel file below.



Once the all the documents which are prima facie deemed to be necessary for granting registration are received (Complete Set of FPI Application), as listed in Section 1, the DDP will issue an acknowledgement to the GC/FPI Compliance Officer as listed in CAF of the Applicant.

## 2. Checks on Eligibility Criteria

### i. Checks regarding Resident Indian/ Non-Resident Indian/ Overseas Citizen of India

Check	Individual FPI	Non-Individual FPI
the applicant is not a Resident Indian (RI)	For understanding of term resident Indian in case of Individual, Refer to Note 1 below	The applicant is not: - A person or body corporate registered or incorporated in India - An office, branch or agency in India owned or controlled by a person resident outside India - An office, branch or agency outside India owned or controlled by a person resident in India (subject to conditions specified in the table below)
the applicant is not a Non-Resident Indian (NRI)	The applicant is not an Indian citizen (national) who is resident outside India	NA
the applicant is not a Overseas Citizen of India (OCI)	The Applicant is not an Individual resident outside India who is registered as an Overseas Citizen of India Cardholder under section 7A of the Citizenship Act, 1955. This would be on basis of declaration by the applicant	NA
RI/NRI/OCI Constituents of the applicant	NA	RI/ NRI/ OCI may be constituent of the applicant if:  - The Contribution by single RI/NRI/OCI is less than 25% of total corpus. - The aggregate contribution by RI/NRI/OCI is below 50%  This would be based on declaration, which may be confirmed with the Beneficial Ownership details provided by the applicant.  Contribution by Resident Indian Individual should be through <u>Liberalised Remittance Scheme</u> in a

		global fund having Indian exposure of less than 50%.
RI/NRI/OCI in Control of the applicant	<ul style="list-style-type: none"> <li>-</li> <li>- NA</li> </ul>	<p>RI/NRI/OCI should not be control of Applicant, except for below:</p> <ul style="list-style-type: none"> <li>- The applicant is an “off-shore fund” having for which NOC is issued by SEBI under SEBI (Mutual Funds) Regulations, 1996 – Applicant to submit NOC issued by SEBI for verification.</li> <li>- The applicant is controlled by Investment Manager (IM) which is owned by RI/NRI/OCI if: <ul style="list-style-type: none"> <li>- IM is appropriately Regulated in its home jurisdiction and registered with SEBI as non-investing FPI, OR</li> <li>- IM is incorporated or set-up under the Indian Laws and appropriately registered with SEBI</li> </ul> </li> </ul>
Non-Investing FPI	NA	The points on RI/NRI/OCI Constituents and RI/NRI/OCI in Control will not apply if the Applicant is Non-Investing FPI
FPI investing only in units of schemes floated by Indian MFs	NA	The points on RI/NRI/OCI Constituents and RI/NRI/OCI in Control will not apply if the Applicant intends to invest only in units of MF schemes floated by Indian MFs
Section 9A of Income Tax Act	<p>NA</p> <p>NA</p>	<p>RI other than Individuals may be constituents subject to following conditions:</p> <ul style="list-style-type: none"> <li>- RI other than Individual is an eligible fund manager of the applicant as per sub-section (4) of section 9A of Income Tax Act, 1961</li> <li>- Applicant is an eligible investment fund as per under sub-section (3) of section 9A of Income Tax Act and</li> </ul>



		granted approval under Income Tax Rules, 1962
AIFs set-up in IFSC seeking FPI license	NA	<p>RI other than Individuals may be constituents subject to following conditions:</p> <ul style="list-style-type: none"> <li>- Applicant is Alternative Investment Fund (AIF) set up in International Financial Services Centre (IFSC) and regulated by International Financial Services Centre Authority (IFSCA)</li> <li>- The RI other than Individual is Sponsor/Manager of the Applicant</li> <li>- The Contribution by the RI other than Individual is does not exceed. <ul style="list-style-type: none"> <li>o The lower of 2.5% of the Corpus or USD 750,000 for Category I or Category II AIF</li> <li>o The lower of 5% of the Corpus or USD 1.5 Million for Category III AIF</li> </ul> </li> </ul> <p>RI/ NRI/ OCI individual may be constituent of the applicant if:</p> <ul style="list-style-type: none"> <li>- The Contribution by single RI/NRI/OCI is less than 25% of total corpus.</li> <li>- The aggregate contribution by RI/NRI/OCI can be 100%, subject to certain criteria as follows:</li> <li>- FPI applicant must submit a declaration stating intent to have aggregate contribution of NRIs, OCIs and RI individuals, of 50% or more in its corpus,</li> <li>- Additional Documents (PAN or id documents) to be provided by FPI applicant to the DDP</li> </ul>

		<ul style="list-style-type: none"> <li>- Further FPIs availing above exemption would be subject to granular disclosure requirement if 33% or more of their Indian equity Assets Under Management (AUM) is in a single Indian corporate group, unless they are exempted under the granular disclosure framework.</li> </ul> <p>This would be based on declaration, which may be confirmed with the Beneficial Ownership details provided by the applicant.</p> <ul style="list-style-type: none"> <li>- Contribution by Resident Indian Individual should be through <u>Liberalised Remittance Scheme</u> in a global fund having Indian exposure of less than 50%.</li> </ul>
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Notes:

1. Definition of Resident Indian as per FEMA in case of Individual

A person residing in India for more than 182 days during the course of the preceding financial year but does not include –

- A person who has gone out of India or who stays outside India–
  - For taking up employment outside India, or
  - For carrying on outside India a business or vocation outside India, or
  - For any other purpose, in such circumstances as would indicate his intention to stay outside India for an uncertain period.
- A person who has come to or stays in India for purpose other than –
  - For or on taking up employment in India, or
  - For carrying on in India a business or vocation in India, or
  - For any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period;

ii. Checks with regards to jurisdiction

a. General Check

Check	Detail	Checks to be
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Point		performed
IOSCO Members hip/ Bilateral MOU with SEBI	<p>1. The Applicant belongs to jurisdiction whose Securities Market Regulator is:</p> <p>a. Either an Appendix A Signatory to IOSCO's MMOU, <a href="https://www.iosco.org/v2/about/?subSection=mmou&amp;subSection1=signatories">https://www.iosco.org/v2/about/?subSection=mmou&amp;subSection1=signatories</a></p> <p>Or</p> <p>b. Signatory to Bilateral MOU with SEBI <a href="https://www.sebi.gov.in/department/office-of-international-affairs-36/oia-bilateral.html">https://www.sebi.gov.in/department/office-of-international-affairs-36/oia-bilateral.html</a></p> <p>Exception: Government and Government Related Investor which is resident in a country approved by Government of India</p>	<p>1. Ensure that the applicant is from a jurisdiction which is IOSCO MMOUs signatory or has Bilateral MOU with SEBI.</p> <p>2. If a country has securities market regulator at a sub-unit level (state/province/territory), the applicant should be from such sub-unit whose securities market regulator is part of either list</p> <p>3. This requirement does not apply to a government or Government Related Entity from jurisdiction approved by Government of India</p>
UNSC Sanction List	The Applicant or its BO is not part of UNSC Sanctions List	
FATF Public Statement	<p>The Applicant or its BO is not from jurisdiction which is identified by Financial Action Task Force (FATF) as a jurisdiction:</p> <p>a. Having strategic Money Laundering (ML)/ Combating of Terror Financing (CTF) deficiency to which countermeasures apply</p> <p>b. That has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with FATF to address these deficiencies.</p> <p><a href="https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html">https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html</a></p>	It should be ensured that the applicant or its BO is not from jurisdiction listed in FATF Public Statement (blacklist)

b. Special Checks

The below checks with regards to eligibility do not apply to all entities, instead would only apply to specific types of entities.

Entity	Detail	Check to be performed
Entities set-up in IFSC	<p>Entities set-up in IFSC are exempt from following requirements:</p> <ul style="list-style-type: none"> <li>- The Applicant should not be Resident Indian</li> <li>- The Applicant must be Resident of a jurisdiction who Securities Market Regulator is a List A Signatory of IOSCO MMOU or has Bilateral MOU with SEBI</li> <li>- In case of Banking Entity, the Central Bank needs to be member of BIS.</li> </ul> <p><a href="https://www.bis.org/about/factmktc/cbregister.htm?m=69">https://www.bis.org/about/factmktc/cbregister.htm?m=69</a></p>	<p>1. No additional checks as this is an Exemption. DDP to confirm that the Applicant is eligible entity from IFSC for such exemption.</p>

### 3. Checks for Category

Entity	Detail	Check to be performed
<p>Government and Government Related Entity</p>	<p>The Government would mean:</p> <ul style="list-style-type: none"> <li>i. Government at head of a Federation/ Union etc</li> <li>ii. Sub-units like States, Provinces or other devolved units</li> <li>iii. Local bodies/government such as Municipal Bodies, Counties, Districts etc.</li> </ul> <p>This category also includes Central Banks, Sovereign Wealth Funds, International or Multilateral Organisation and Agencies and</p> <ul style="list-style-type: none"> <li>i. Entities Controlled by Government or Government Related Entities</li> <li>ii. Entities which are at least 75% owned, directly or indirectly by Government or Government Related Entities</li> </ul>	<p>Government or Government Related Entities would be identified by their formation/constitution documents. Such entities should be established by Legislation or under Executive Authority or Statutes</p> <p>In case of Multi-lateral Organisation, the same can be identified on basis of multi-lateral treaty establishing such entity.</p> <p>FPI to ensure that BO / intermediary details are provided to the DDP up to the level of the identified Government / Government Related Entity.</p>
<p>Central Bank</p>	<p>If the applicant is Central Bank or its subsidiary</p> <p>Application of such application should be forwarded to SEBI for comments to be obtained from RBI</p>	<p>To be checked on basis of declaration / constitution documents.</p>
<p>Banking Entity</p>	<p>If the Applicant is a Banking Entity, should be regulated either by a unified financial sector regulator or banking regulator and Central Bank of that country is member of Bank for International Settlements (BIS)</p> <p>Exception: If the Applicant is a Central Bank itself, such Central Bank need not be member of BIS</p> <p>If Central Bank of the home country is not a member of BIS, then the applicant can seek registration under Category II.</p>	<ol style="list-style-type: none"> <li>1. Check on website of the regulator or obtain a certificate of regulation</li> <li>2. Ensure that the applicant is from a jurisdiction which is IOSCO MMOUs signatory or has Bilateral MOU</li> <li>3. If a country has securities market regulator at a sub-unit level (state/province/territory), the applicant should be from such sub-unit whose securities market regulator is part of either list</li> </ol>

<p>Banking Entity or its subsidiary or group entity</p>	<p>The Applicant or its group entity is a Bank or its subsidiary and has bank branch/representative office in India.</p> <p>Application of such application should be forwarded to SEBI for comments to be obtained from RBI</p>	<p>To be checked on basis of declaration / constitution documents.</p>
<p>Pension Fund</p>	<p>Pension Fund includes superannuation or similar schemes that provides retirement benefit to employees.</p> <p>The applicant should be a Pension Fund established for retirement benefit:</p> <ol style="list-style-type: none"> <li>1. By Commercial or Non-Profit Non-Government Establishment or a Group for its Employees</li> <li>2. By Government for public servants employed under it or for benefit of general population or specific group population it governs</li> <li>3. By International Organisation for benefit of their Employees such as UN, IMF, IBRD, ADB etc.</li> <li>4. Any entity set up / regulated as a Pension Fund in its home Jurisdiction with its local regulator and seeking investments only from other pension funds, retiral benefits plan.</li> </ol> <p>The Government would include:</p> <ol style="list-style-type: none"> <li>i. Government at head of a Federation/ Union etc</li> <li>ii. Sub-units like States, Provinces or other devolved units</li> <li>iii. Local bodies/government such as Municipal Bodies, Counties, Districts etc.</li> </ol>	<ol style="list-style-type: none"> <li>i. The constitution documents of the entity to be checked to ensure that the Applicant is an entity established to ensure retiral benefits.</li> <li>ii. Where the applicant fund is not established by the government, the beneficiaries should be restricted to employees of the entity establishing the fund or employees of its group entities, or other pension funds.</li> <li>iii. If the Fund is established by the government, it should be established either through a legislation or by Executive authority .</li> </ol> <p>Legislation includes any legislative Instrument by whatever name called locally, such as Act, Ordinance, Code etc. including any sub-legislation.</p> <p>Executive Authority includes a President, Governor, Lieutenant Governor, Mayor, Commissioner, a Monarch or their representative, a Minister, or a secretary etc. by whatever name called locally</p>

Insurance	Insurance and Re-Insurance entities are deemed to be appropriately regulated if they are regulated or supervised by relevant regulator in their concerned foreign jurisdiction in the capacity in which they propose to make investment in India	To be verified from the Insurance Regulator of the Jurisdiction either <ol style="list-style-type: none"> <li>1. From website, or</li> <li>2. On basis of regulatory certificate or document provided.</li> </ol>
University Fund	NA	To be verified from the Constitution Document that the investing fund belongs to university
Appropriately Regulated Entity other than Appropriately Regulated Fund	<ol style="list-style-type: none"> <li>1. Insurance and Re-Insurance entity</li> <li>2. Bank</li> <li>3. Asset Management Companies, Investment Managers, Investment Advisors, Portfolio Managers</li> <li>4. Broker Dealer and Swap Dealer</li> </ol> <p>Investing on their own behalf</p>	<ol style="list-style-type: none"> <li>1. To be verified from the respective Regulator of the Jurisdiction either <ol style="list-style-type: none"> <li>a. From website, or</li> <li>b. On basis of regulatory certificate, document provided.</li> </ol> </li> <li>2. From Constitution Document that the entity is established as per relevant category</li> <li>3. The Registration Number of the Applicant in CAF matches accurately with the registration number provided by the local regulator of the applicant in its home jurisdiction, if any number is allotted by the regulator.</li> <li>4. The Applicant is regulated in the capacity it intends to invest in</li> </ol>
Appropriately Regulated Fund	Appropriately Regulated Fund should be from FATF Member Country, or any other country specified by Government of India for this purpose*	<ol style="list-style-type: none"> <li>1. Applicant is established as a Fund which may be evidenced in the constitutional document/ PPM/ filings, etc</li> <li>2. The Fund is Appropriately Regulated by Securities Market or Banking Regulator</li> <li>3. The Registration Number of the Applicant in CAF matches accurately with the registration number provided by the local regulator of the applicant in its</li> </ol>

		<p>home jurisdiction, if any number is allotted by the regulator.</p> <p>4. The Applicant is from a country which is Member of FATF, or country specified by Government of India</p>
<p>Unregulated Fund whose IM is Appropriately Regulated and registered as Category I FPI</p>	<p>Unregulated Fund from FATF Member countries or countries specified by Government of India in this regard are permitted to register as Category I FPI provided:</p> <ol style="list-style-type: none"> <li>1. Their IM is a registered Category I FPI</li> <li>2. The IM undertakes responsibility of all acts of commission and omission of such unregulated fund</li> </ol>	<ol style="list-style-type: none"> <li>1. Applicant is established as a Fund which may be evidenced in the constitutional document/ PPM/ filings / evidence of fund/pooling vehicles investing directly or indirectly in the applicant etc.</li> <li>2. The Applicant is from a country which is Member of FATF, or country specified by Government of India</li> <li>3. The IM is a Category I FPI</li> <li>4. The IM has provided requisite undertaking as part of Annexure to CAF</li> </ol>
<p>University Related Endowments</p>	<p>Endowments related to universities which have been in existence for more than 5 Years, if the Endowment is from FATF Member country or country specified by Government of India</p>	<ol style="list-style-type: none"> <li>1. The Applicant is an Endowment</li> <li>2. The Applicant is situated in FATF Member country or country specified by Government of India for this purpose.</li> <li>3. The Applicant is related to a university.</li> <li>4. The University has been in existence for over 5 years</li> </ol>
<p>Entity whose IM is Category I FPI</p>	<p>An entity may be granted Category-I registration if the IM of the entity is:</p> <ol style="list-style-type: none"> <li>1. From FATF member country</li> <li>2. Registered as Category-I FPI</li> <li>3. Undertakes responsibility of all acts of commission and omission of such unregulated fund</li> </ol>	<ol style="list-style-type: none"> <li>1. The IM should be from FATF Member country.</li> <li>2. The IM holds a valid Category-I FPI registration.</li> <li>3. The IM has provided requisite undertaking as part of Annexure to CAF</li> </ol>
<p>Entity whose Investor of over 75% is eligible to</p>	<p>An entity may be granted Category-I registration, if its investor/s holding more</p>	<ol style="list-style-type: none"> <li>1. The Investor as shown in Beneficial Ownership hold 75% or more ownership either</li> </ol>



hold Category I FPI registration	<p>than 75% investment, whether directly or indirectly, fulfil below criteria</p> <ol style="list-style-type: none"> <li>1. Is from FATF member country.</li> <li>2. Eligible to be registered as Category-I FPI under the Sub-category of: <ol style="list-style-type: none"> <li>a. Pension Funds</li> <li>b. University Funds</li> <li>c. Appropriately Regulated entities as described above.</li> <li>d. Appropriately Regulated Fund</li> </ol> </li> <li>3. Undertakes responsibility of all acts of commission and omission of such unregulated fund</li> </ol>	<p>singularly or in collectively, whether directly or indirectly</p> <ol style="list-style-type: none"> <li>2. All such entities which constitute holding of 75% or more should: be from FATF Member country. <ol style="list-style-type: none"> <li>a. Such Investor entities are eligible for FPI registration under Category I – to be verified from appropriate documents of such eligible entity.</li> <li>b. Have provided requisite undertaking</li> </ol> </li> </ol>
Appropriately Regulated Fund not eligible as Category I FPI (i.e. not from FATF member country)	Appropriately Regulated Fund which is not from FATF member country is eligible for Category-II registration	<ol style="list-style-type: none"> <li>1. Applicant is established as a Fund which may be evidenced in the constitutional document/ PPM/ filings, etc.</li> <li>2. The Fund is Appropriately Regulated by Securities Market or Banking Regulator</li> <li>3. The Applicant is not from a country which is Member of FATF</li> <li>4. Applicant is not from a country specified by Govt. of India.</li> </ol>
Endowments and Foundations	NA	The Constitution Documents to be verified to ensure that the Applicant is suited for registration as Endowment or Foundation i.e., it is established for benevolent purpose such religion, education research etc.
Charitable Organisation	NA	The Constitution Documents to be verified to ensure that the Applicant is suited for registration as Charitable Organisation i.e., for charitable purpose
Unregulated Fund	Unregulated Funds can obtain Category-II registration	<ol style="list-style-type: none"> <li>1. Applicant is established as Fund as per its constitution document.</li> </ol>

		2. It is not regulated
Family Offices	NA	To be verified with the Constitution Documents or supporting documents, filings etc that the beneficial owners is part of the family
Individuals	NA	Proof of Identity establishes the identity of the applicant as an individual
Appropriately Regulated entities investing on behalf of clients	<p>Appropriately Regulated entities such as:</p> <ol style="list-style-type: none"> <li>1. Banks and Merchant Banks</li> <li>2. Asset Management Companies, Investment Managers, Investment Advisors, Portfolio Managers</li> <li>3. Insurance and Re-Insurance</li> <li>4. Broker Dealer and Swap Dealer</li> </ol>	<ol style="list-style-type: none"> <li>1. Confirmation to be provided by the applicant that the FPI license is being sought for such category and appropriate category to be selected.</li> </ol> <p>The clients on behalf of whom the Applicant proposes to invest should be either Individual or Family Offices</p>

4. Checks with regards to Beneficial Ownership

- a. FPI Applicant is required to identify direct & indirect Beneficial Owners on a look-through basis as per below threshold:

Type of Legal Entity	Threshold as %age of ownership or beneficiary interest/ shareholding/capital/profits
Company	10%
Partnership	10%
Unincorporated Association or Body of Individuals	15%
Trust	10%

- b. The materiality threshold to identify the beneficial owner should be first applied at the level of FPI and next look through basis shall be applied to identify the beneficial owner of the intermediate shareholder/ owner entity. Beneficial owner and intermediate shareholder/ owner entity with holdings equal & above the materiality thresholds in the FPI need to be identified through the look through basis. For intermediate material shareholder/ owner entity/ies, name, country and percentage holding shall also be disclosed.
- c. Applicant is required to identify Control in terms of Regulation 2(f) of FPI Regulations as per below:
- Control includes right to appoint majority of Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of agreements or in any other manner.
- d. Ultimate Beneficial Ownership (UBO)/ Senior Managing Official (SMO)
- FPIs/ Applicants are required to provide UBO, which is a Natural Person who holds Beneficial Ownership in the FPI, either directly or indirectly through and entity which is Intermediate Beneficial Owner. Where no Natural Person can be identified as UBO, the FPI/Applicant to provide name of Senior Managing Official of the Legal Entity which is part of ownership/control chain of arrangement of the FPI/ Applicant. The person to be identified as SMO would be as per the Master Circular dated May 30, 2024. It defines SMO as "Individuals as designated by the FPI who holds a senior management position and makes key decisions relating to the FPI.

## 5. Checks for Clubbing

SEBI mandates that FPIs which have direct / indirect common ownership of over 50% or common Control are required to be clubbed in addition to FPIs under Multi-Investment Manager Structure. Accordingly,

- BO holding 50% or more in the FPI directly or indirectly through ownership/entitlement and is itself a registered FPI(s), or having such common ownership of more than 50% in any other FPI(s) to be within single investor group, with the Applicant, OR
- BO by Control being a registered FPI or being in control of any other FPI to form part of single Investor Group, with the Applicant except if such applicant or other FPI is public retail fund as defined under regulation 22(4) of SEBI FPI Regulations.
- To ensure compliance with this regulation, it is the responsibility of the FPI to provide clubbing information to its DDP, including any changes thereon within SEBI specified timeline.
- To ensure the above, the DDP may add following supporting checks:
  - On NSDL Portal, check for such BO being a registered FPI; or
  - Within the investor database maintained by the DDP/ Custodian, check if the BO is a **common owner** of over 50% in multiple FPIs including the applicant; or
  - Within the investor database maintained by the DDP, check if the BO holds **common control** in multiple FPIs, including the applicant except if such applicant or other FPI is public retail fund as defined under regulation 22(4) of SEBI FPI Regulations

Explanation:

In terms of Regulation 22(4) of FPI Regulations, the clubbing of investment limit of foreign portfolio investors having **common control** shall not be applicable where –

- (a) foreign portfolio investors are appropriately regulated public retail funds; or
- (b) the foreign portfolio investors are public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or
- (c) foreign portfolio investors are public retail funds and investment managers of such foreign portfolio investors are appropriately regulated.

**Notes on clubbing on basis of common control**

1. If the Applicant declares itself as Public Retail Fund (PRF), it need not provide any further details of any other FPI.
2. If the Applicant is not a PRF, it has to provided list of all entities under Common Control either in Table 1 of CAF or Table 2 of the CAF under Clubbing section. The list needs to be exhaustive of all entities under Common Control. The distribution of Tables would be as below:
  - a. Table 1 shall consist of all FPIs which are not PRF and therefore ought to be clubbed.
  - b. Table 2 shall consist of all FPIs which are PRF and therefore exempt from Clubbing

b. Clubbing List

- Any FPIs identified having **Common Ownership** of over 50% should form part of the Clubbing list provided by the Applicant. Else the Clubbing List would be considered incomplete. The Applicant may provide the Group Code in lieu of the Complete List, and will only provide list incremental FPIs to be clubbed which do not form part of existing Grouping under the Grouping Code
- Any FPIs identified as having **Common Control** and where the Applicant is not a Public Retail Fund, the List provided under Table 1 and Table 2 should together be exhaustive for all FPIs under common Control. If any FPIs are missing the Clubbing List would be considered incomplete. The Applicant may provide the Group Code in lieu of the Complete List, and will only need to provide list incremental FPIs to be clubbed which do not form part of existing Grouping under the Grouping Code
- If the clubbing list has undergone any changes during the course of registration, GC / FPI of the Applicant may provide necessary confirmation to DDP in such regards for the purpose of grant registration and DDP may make appropriate modification in the CAF immediately post registration.
- Inform NSDL on addition of the new FPI in the existing group or creation of a new group.

c. What is a Public Retail Fund

An FPI/ Applicant would be a Public Retail Fund if in Terms of Regulation 22(4) it is.

- Mutual Fund or Unit Trusts which are open for subscription to retail investors, and which do not have specific investor type requirement.
- Insurance Companies where segregated portfolio with one-to-one correlation with single investor is not maintained.
- Pension Funds

d. Check to be performed for PRF status.

- The DDP to look for any clauses within the Offering Document which may restrict subscription availability of units or the offer Document of the FPI/Applicant to only specific class of investor and that it is appropriately regulated.
- If the FPI/Applicant is obtaining exemption as PRF by virtue of its majority investor, the Check for PRF mentioned above to be applied for both, the FPI/Applicant and its majority investor/s. Additionally, the majority investor/s should be appropriately regulated.
- If the FPI/Applicant is obtaining exemption as PRF by virtue of its IM, the Check for PRF mentioned above to be applied for the FPI/. Additionally, the IM should be appropriately regulated.

## 6. Checks for Legal Entity

### a. Requirement of identification Legal Entity

SEBI has clarified that an FPI shall be a natural person or a Legal Entity. In case natural person is identified as BO in an FPI, then legal entity need not be separately identified.

- If the FPI is not a legal entity, it shall identify a legal entity that owns/controls it at any level in the chain of arrangement.
- If the FPI is a legal entity, it shall either identify itself or a legal entity that owns/controls it at any level in the chain of arrangement.

If FPI is not a Legal Entity, KYC should be obtained on records for such identified legal entity. Accordingly Designated Depository Participants are required to identify the Legal Entity for every FPI except where natural person is identified for such FPI.

### b. Checks to be performed :

Following Checks to be performed for identification of Legal Entity

Entity	Detail
Identify Legal Entity	DDP to identify if the FPI is LE by itself or part of Legal Entity from the Formation Document of the LE, where name of the LE is declared
Cover Letter for LE	If the Applicant is not an LE, the LE to provide Cover Letter declaration itself an LE for the Applicant.
Annexure A	Where the Applicant is not a Legal Entity, the DDP to obtain Annexure A for KYC of the Legal Entity and following points to be verified: <ul style="list-style-type: none"> <li>- Name of LE matches the Constitution Document</li> <li>- Constitution document to be obtained as per entity type</li> </ul>
Check with the Applicant	The FPI Applicant should ensure the below in submission to DDP: <ul style="list-style-type: none"> <li>- Where no Natural Person can be identified for the FPI/Applicant and the SMO is provided, at least 1 SMO should be common between the LE and the FPI/Applicant. If a Natural Person is identified as UBO for the FPI/Applicant, the UBO of the Applicant and SMO of LE need not be the same.</li> </ul>
Beneficial Ownership	The legal entity identified should be part of either the ownership chain or the control chain of Beneficial Ownership

### c. Special Considerations

<b>Jurisdiction</b>	<b>Detail</b>
Canada	Canada allows a single Master Declaration of Trust to be executed for creation of multiple Trusts. These Declaration of Trusts may or may not specify that each fund created thereunder is independent unit trust. If not, confirmation to be obtained that each Trust is Separate and Independent Trust.

7. Checks for Granular Exemption

The DDP to identify whether the FPI applicant is eligible to be exempted from requirement of Granular disclosure in accordance with SOP issued for Additional Granular disclosure.



## 8. Other Checks

Attribute	Detail
<p>Date of Birth/ Incorporation/Agreement/ Partnership or Trust Deed/  Establishment/ Formation of body of Individuals or Association of Persons</p>	<p>Such Date can be evidenced from supporting document in following ways:</p> <p>.</p> <p>1. In case of Funds: Date of Inception provided in the offer document or date of inception for the first class/series of multi series fund.</p> <ul style="list-style-type: none"> <li>- Date of formation of sub-fund by way of formal resolution or in any other manner provided in the constitution document.</li> <li>- Approval granted by the Regulator for creation of the fund.</li> <li>- Incorporation Date of the Umbrella Fund</li> <li>- Date of Execution of Constitution Document, which includes fund within the Constitution Document or in any Annexure/Schedule where all the funds offered under the umbrella are listed in the Constitution Document or its annexures.</li> <li>- For Funds which are pending launch at the time of registration of FPI or depend on registration as FPI for launch, the date of filing for approval to the regulator may be accepted as DoI for a sub-fund in absence of any other information.</li> </ul> <p>In case of Fund which are standalone entities</p> <ul style="list-style-type: none"> <li>- Date of Execution of Constitution Document</li> <li>- Date of Approval by Regulator</li> <li>- Date of Certificate of Incorporation/Formation issued by Registrar.</li> <li>- Formation Documents being filed with the Registrar.</li> </ul> <p>In case applicant already holds PAN, the DoI can be evidenced from PAN. The Date of Incorporation is an important information on the PAN Card and will be also required to access KYC information on the KRA, hence important to notify the correct date.</p> <p>In case of Individuals, the actual date of Birth to be evidenced from document.</p>
<p>Place of Incorporation</p>	<p>The Place of Incorporation may be checked with the Proof of Address or such other constitution/statutory document and should ordinarily match with Registered Address. In case of certain structures, like a Trust which need not have a Registered office, being an arrangement instead of an entity, the Place of Incorporation may be different from the Registered Address, provided the same can be evidenced from the Constitution Document e.g. The Trust Declaration states that the Trust is incorporated under laws of a particular jurisdiction however, the registered address</p>

	<p>provided in the Trust Declaration is in another jurisdiction such as administrator Trust.</p> <p>In case FPI is a Bank branch, the registered address and place of incorporation would be that of the head/registered office of the Bank and office address to be of the branch</p>
Name	<p>The DDP to verify the current Name of applicant with supporting documents OR the regulatory database for regulated entities. Where the supporting documents provide information of previous name change, DDP to check if the same has been included in the CAF.</p> <p>The DDP shall obtain documents evidencing all name changes since the inception / formation of the FPI till the date of registration. The previous name section may however be limited to the last name only.</p> <p>In case of Banking Entity or its Branch, the FPI name should include “Name of Bank - Branch Name (if applicable)”</p>
Abbreviation of the Name, as you would like it, to be printed on the PAN card	<p>The Name for PAN should match with the name of FPI, legal entity, umbrella fund, etc. In case of any difference in the name, a letter from the tax consultant can be used as a supporting document (optional).</p> <p>In the event of any abbreviations due to space constraints on PAN Card, the DDP can rely on the Name as provided in the CAF in PAN fields.</p>
LEI Check	<p>Verify the LEI with GLEIF Entity Search and the Expiry Date for the LEI</p> <p>(<a href="https://search.gleif.org/#/search/">https://search.gleif.org/#/search/</a>)</p>
Address	<p>The Registered and Office Address should be matched with Proof of Address, which should mention the country and the state/province if any is applicable.</p> <p>For a Branch office of a Banking Entity, the Registered Address should always be the Country of its Incorporation/ Formation and not the address of the Branch</p>
Land-border Country	<p>In terms of Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 as amended from time to time, Investments from certain countries which share land-border with India is restricted to Government Route only. In view of the same, where the Applicant is itself located in such country or its Beneficial Owner / Control is from such country, the same is to be reported to SEBI. Such territories include:</p> <ul style="list-style-type: none"> <li>- Afghanistan</li> <li>- Pakistan</li> <li>- Nepal</li> </ul>

	<ul style="list-style-type: none"> <li>- Bhutan</li> <li>- Bangladesh</li> <li>- China. In case of China the following jurisdiction to be separately identified Mainland China, Hong Kong and Taiwan</li> <li>- Myanmar</li> </ul>														
Segregated Portfolio	<p>If the Applicant maintains segregated portfolio, the same has to be indicated in CAF. DDP to check the supporting document provided for indication of segregated portfolio. Funds often use multi-class multi series structure which need not necessarily involve segregated portfolio. Such fund only has differentiated liability with regards to fees/pay-out or retention etc. However, if the Assets are segregated, or rights of the share/units with regards to their interest in the assets are differentiated, the same would be considered as segregated portfolio. In such case, the Applicant is required to provide BO details for each class/series investing in India.</p> <p>If the applicant maintains segregated portfolio at series/class level and is seeking registration at the series/class level, then such portfolio will not be treated as segregated i.e. There should be a segregation of assets at a level below which the FPI registration is sought, for the FPI to be considered as having segregated portfolio.</p>														
Status of Applicant	<p>This field is required for issue of PAN. While this is ordinarily filled on advice of Tax Consultant of the Applicant</p> <table border="1"> <thead> <tr> <th>Status</th> <th>Types of Applicants</th> </tr> </thead> <tbody> <tr> <td>Individual</td> <td>Only Natural Person permitted</td> </tr> <tr> <td>Company</td> <td>Corporate Structures like "Ltd Co", "PLC", "Inc", "Company", "AG", "SA", "NV", "Berhad/BHD", "SpA", LLC, "GmbH", SARL, BV, etc</td> </tr> <tr> <td>Partnership firm/ Limited Liability Partnership</td> <td>Partnership, "LP", "LLP", etc.</td> </tr> <tr> <td>Government</td> <td>Government or Government Institution/ Agency</td> </tr> <tr> <td>Trusts</td> <td>Trust or similar arrangement</td> </tr> <tr> <td>Body of Individuals</td> <td>Unincorporated Bodies of Individuals</td> </tr> </tbody> </table>	Status	Types of Applicants	Individual	Only Natural Person permitted	Company	Corporate Structures like "Ltd Co", "PLC", "Inc", "Company", "AG", "SA", "NV", "Berhad/BHD", "SpA", LLC, "GmbH", SARL, BV, etc	Partnership firm/ Limited Liability Partnership	Partnership, "LP", "LLP", etc.	Government	Government or Government Institution/ Agency	Trusts	Trust or similar arrangement	Body of Individuals	Unincorporated Bodies of Individuals
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	Local Authority	Local Authorities like Municipal Bodies, Local Councils, County Council
	Artificial Juridical Persons	NA
	Association of Persons	Unincorporated Associations, Co-operatives,
Disciplinary History	The DDP to check if the Applicant has provided any disciplinary history which may render the applicant unable to operate in India market, whether due to action taken by any Indian authority or authority of any other jurisdiction / home jurisdiction.	
Prior Association with India Market	<p>The DDP to verify on NSDL Portal if any FPI with same name as the applicant from same jurisdiction is currently registered.</p> <p>The DDP to also verify if any previous FPI account has been maintained in name of the Applicant or with same name as any previous names of the applicant. If the Applicant has had previous association with India Market, the same to be indicated in CAF, and ensured that the earlier FPI is surrendered.</p> <p>The DDP may obtain confirmation/NOC from the previous DDP / Custodian if the applicant had another FPI license and it has been surrendered or such surrender intimation being issued by SEBI or DDP /Custodian .</p>	
Multiple Applications for the same applicant	<p>Only Multi-managed structures are allowed to apply for multiple FPI Registrations in the name of the Investment Managers.</p> <p>Multiple applications / accounts for same FPI are not allowed within same sub-category except for ODI purposes.</p>	
Rejected List	DDPs to check if the applicant is part of the rejected database published on the NSDL FPI portal for any reason by any of the other DDP and seek necessary reasoning for the rejection and take appropriate action accordingly, if the rejection is valid. (Seek SEBI guidance on a case-by-case basis)	
Document Validity	Documents received should be executed within the past 6 months from the date of grant of registration. In case documents are older than 6 months, a confirmation can be sought from the GC/FPI for “No Change” in the documents submitted	

Signing Requirements	<p>CAF and Annexure to CAF has to be signed on all pages by the Authorised Signatory/(ies) in wet ink.</p> <p>Alternatively, use of digital signatures and other registration related documents allowed for the purpose of execution of CAF by FPI provided such digital signatures are in accordance with the provisions of the Indian Information Technology Act, 2000</p>
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## Observations

- a. In case of applications for fresh registrations, where any issues or pending fees are identified, the same shall be raised to Global Custodian/FPI Applicant for obtaining necessary information/documentation/clarification.
- b. In the absence of any response/information within a period of 30 days of generation of barcoded CAF NSDL shall send 2 notifications to the GC/FPI Applicant that the Application will be marked as closed
- c. Once closed, the application shall be reinstated as a new application on receipt of complete information sought including requirement of any additional document/ information or registration/PAN fees, which may arise in intervening period.. The FPI shall not be required to pay any additional registration fees of a fresh application for this purpose, if already remitted. Fresh Application Forms would be required only in case, the FPI confirms changes to non-editable fields of the Application form.

### 9. Amendment to executed CAF/Annexure to CAF

Where the CAF has a discrepancy, the DDP may obtain confirmation from Compliance Officer or supporting letter issued by FPI applicant with correct details (to be uploaded along with the CAF) and proceed with grant of registration, without needing regeneration and re-execution of CAF. The minor discrepancies to be corrected by DDP immediately prior to grant of registration (in case NSDL portal facilitates) or post registration (until facility is made available by NSDL), on basis of confirmation provided by Compliance Officer. For any major discrepancy, the DDP to require CAF to be amended and re-executed.

- Name of the applicant
- Abbreviation of the Name, as you would like it, to be printed on the PAN card
- Jurisdiction and Country of applicant
- IM name in case of FPI seeking registration under 5 (a) (iv) (II) or 5(a)(v)(A) category of FPI regulations
- Part C
- Undertaking from IM 5(a)(V)(A), 75% criteria 5(a)(V)(B)
- Category and sub-category
- RI & NRI status

### 10. Inwarding of Documents

Once the DDP receives the entire set of documents, the DDPs to record the receipt of documents as per their internal procedure. Further the document log with date and time of receipt is maintained.

DDP may grant FPI registration to the applicant on the basis of executed scanned copies of CAF. The Custodian shall ensure that appropriate systems and procedures are in place to open accounts only on receipt of physical documents and verification is completed.

### 11. Issuance of Acknowledgment

Once all the documents listed in Point 1 above for grant of registration along with the necessary supporting documents and applicable fees are received, the DDP will issue an acknowledgement to the GC/FPI Applicant

12. Closure of Application in case of non-receipt of complete set of Information/ Documents sought by DDP

Applications to be disposed by the DDP within 30 days of Complete Set of information / being received. Where any observation has been raised to FPI Applicant / Global Custodian and no response is received within the time specified under point on "Observation", the DDP/ Custodian shall write to FPI Applicant / GC and Close the Application in their records. Further, where the CAF is being revised or required to be revised, the DDP/ custodian shall inform the FPI Applicant / GC and Close the Application in their records and open a Fresh Application with revised CAF.

13. Closure of Application post generation bar coded CAF

In case all the documents required, and fees are not received by DDP, within 30 days from the date of generation of bar coded CAF, the application will be closed by NSDL. Once the complete set of information/documents are received the application can be re-opened without regenerating a new CAF. No additional fee will be levied at the time of reopening of CAF.

14. The SOP shall serve as a starting point for all DDPs/ Custodians/ Depositories and will be updated on an ongoing basis by these stakeholders, in consultation with SEBI, based on the experience and feedback received from market participants and FPIs.

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