



# Central Depository Services (India) Limited

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## COMMUNIQUE TO DEPOSITORY PARTICIPANTS

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CDSL/OPS/DP/POLCY/2024/163

March 21, 2024

### **SEBI CIR - AMENDMENT TO CIRCULAR FOR MANDATING ADDITIONAL DISCLOSURES BY FPIS THAT FULFIL CERTAIN OBJECTIVE CRITERIA**

DPs are advised to refer to **SEBI Circular no. SEBI/HO/AFD/AFD-POD-2/P/CIR/2024/19** dated **March 20, 2024**, regarding **Amendment to Circular for mandating additional disclosures by FPIS that fulfil certain objective criteria [refer Annexure]**.

DPs are advised to take note of the same and ensure compliance.

Queries regarding this communiqué may be addressed to: **CDSL – Helpdesk** Emails may be sent to: [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com) and telephone number 08069144800.

sd/-

**Nilesh Shah**  
**Asst. Vice President – Operations**



**CIRCULAR**

**SEBI/HO/AFD/AFD-POD-2/P/CIR/2024/19**

**March 20, 2024**

To,

1. Foreign Portfolio Investors (FPIs)
2. Designated Depository Participants (DDPs) and Custodians
3. The Depositories
4. The Stock Exchanges and Clearing Corporations
5. Registrars to an Issue and Share Transfer Agents
6. Listed Companies

Dear Sir / Madam,

**Subject: Amendment to Circular for mandating additional disclosures by FPIs that fulfil certain objective criteria**

1. SEBI vide Circular No. SEBI/ HO/ AFD/ AFD-PoD-2/CIR/P/2023/148 dated August 24, 2023 mandated additional disclosures for FPIs that fulfil objective criteria as specified in the said Circular. Further, FPIs satisfying any of the criteria listed under Para 8 of the said Circular were exempted from the additional disclosure requirements, subject to conditions specified in the said Circular.
2. In this regard, in addition to the criteria listed under Para 8 of the said Circular dated August 24, 2023, it has been decided that an FPI having more than 50% of its Indian equity AUM in a corporate group shall not be required to make the additional disclosures as specified in Para 7 of the said Circular, subject to compliance with all of the following conditions:
  - i. The apex company of such corporate group has no identified promoter. For this purpose, the list of corporate groups based on the corporate repository published by the Stock Exchanges and their respective apex companies having no identified promoters shall be made public by Depositories.
  - ii. The FPI holds not more than 50% of its Indian equity AUM in the corporate group, after disregarding its holding in the apex company (with no identified promoter).



- iii. The composite holdings of all such FPIs (that meet the 50% concentration criteria excluding FPIs which are either exempted or have disclosed) in the apex company is less than 3% of the total equity share capital of the apex company.
3. Custodians and Depositories shall track the utilisation of this 3% limit for apex companies, without an identified promoter, at the end of each day. When the 3% limit is met or breached, Depositories shall make this information public before start of trading on the next day.
4. Thereafter, for any prospective investment in the apex company by FPIs, that meet the 50% concentration criteria in the corporate group, the FPIs shall be required to either realign their investments below the 50% threshold within 10 trading days or make additional disclosures prescribed in the said Circular dated August 24, 2023:  
  
Provided no such requirement, to realign or make disclosure, shall be applicable unless the 3% cumulative limit for the apex company continues to be met through the said 10 trading days.
5. All other provisions specified in the said Circular dated August 24, 2023 shall remain unchanged.
6. For FPIs that met the objective criteria specified under Para 7(a) of the said Circular dated August 24, 2023, as on October 31, 2023 and neither realigned their portfolio within the specified time-period nor were exempted, additional disclosures were required to be made on or before March 12, 2024. It is clarified that such FPIs who met the conditions specified under Para 2 above, as on March 12, 2024, shall not be subjected to actions consequent to non-disclosures, as specified in Para 12 and Para 13 of said Circular dated August 24, 2023.
7. The process flow to implement this circular shall be framed by the pilot Custodians and DDPs Standards Setting Forum (CDSSF) and adopted by all the DDPs/ Custodians, in consultation with SEBI.

8. The provisions of this circular shall come into force with immediate effect.
9. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulations 22(1), 22(6), 22(7) and 44 of SEBI(FPI) Regulations, 2019 to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
10. This circular is available at [www.sebi.gov.in](http://www.sebi.gov.in) under the link “LEGAL > Circulars”.

Yours faithfully,

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