

Eligibility criteria for constituents of FPIs

Non-resident Indians, overseas citizens of India or resident Indian individuals may be constituents of the applicant applying for registration as Foreign Portfolio Investor (“FPI”) under the SEBI (Foreign Portfolio Investors) Regulations, 2019, subject to certain conditions.

SEBI has now permitted resident Indians, other than individuals, to be constituents of the applicant applying for registration as an FPI, subject to the following additional conditions:

- The applicant is an **Alternative Investment Fund** set up in the International Financial Services Centres, and regulated by the International Financial Services Centres Authority;
- The resident Indian, other than individuals, is a Sponsor or the Manager of the applicant;
- The contribution of such resident Indian, , other than individuals, is required to be up to the following limits:
 - **For applicant which is a Category I or Category II AIF:** *lower of 2.5% of the corpus of the applicant or USD 7,50,000;*
 - **For applicant which is a Category III AIF:** *lower of 5% of the corpus of the applicant or USD 1.5 million.*

The aforementioned was notified vide notification dated October 26, 2021 ([available here](#)).

This Update is meant for general information and shall not be deemed to be a legal advice or opinion. This Update is neither intended to be an advertisement or solicitation.

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