

Amendment to FPI Regulations

SEBI has amended the SEBI (Foreign Portfolio Investors) Regulations, 2019 to make it in line with the provisions of the Prevention of Money Laundering Act, 2002 and the rules thereunder, in the manner set out hereunder:



- **Eligibility Criteria** for an applicant to seek registration as a Foreign Portfolio Investor (“FPI”) has been aligned with the thresholds under the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (“PML Rules”), in relation to the applicant and underlying investors of the applicant being persons under the Sanctions List notified by the United Nations Security Council.

The thresholds under the PML Rules for identifying the beneficial owners of the underlying investors of the applicant, either by way of ownership, economic interest or control criteria is **10% for companies and trusts** and **15% for partnerships and unincorporated associations or bodies of individuals**, and would be in the manner set out thereunder.

- **Disclosures** of information or documents by certain classes of FPIs (*as specified by SEBI*) would be required to be made to SEBI in relation to the **persons with any ownership, economic interest or control** in the FPI.

The aforementioned amendment was issued by SEBI vide notification dated August 10, 2023 ([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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