

Circular No.: NSDL/POLICY/DDP/2021/0002

May 10, 2021

Subject: SEBI Circular regarding Guidelines pertaining to Surrender of FPI Registration

Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs)/Custodian of securities (Custodians) are invited to SEBI Circular No. SEBI/ HO/ IMD/ FPI&C/ CIR/ P/ 2021/ 045 dated March 30, 2021 (copy enclosed) regarding guidelines pertaining to surrender of FPI registration.

It is mentioned at point no. 3 (a) and (b) in aforesaid SEBI Circular dated March 30, 2021 as under:

“3. In order to have a uniform market practice for processing of such surrender requests, DDPs shall adhere to the following additional guidelines:

a) While making an application to SEBI for seeking “No Objection Certificate” (NOC) for surrender, the DDP shall confirm the following with respect to the FPI:

- i) Accounts held by the applicant in the capacity of FPI have NIL balance and are blocked for further transactions. Further, the CP code of the FPI is also blocked.***
- ii) There are no dues/ fees pending towards SEBI.***
- iii) There are no actions/ proceedings pending against the said applicant.***

b) DDP shall ensure that:

- i) all the accounts (including bank account and securities account) held by the applicant in the capacity of FPI are closed; and***
- ii) the CP code is deactivated***

within 10 working days from the date of receipt of NOC from SEBI.”

DDPs are requested to take a note of the same and ensure compliance with above.

For Deemed Surrender cases

Further, it is mentioned at **clause 9 (3)** of **SEBI (FPI) Regulations, 2019** (as amended) as under:

“(3) When the foreign portfolio investor fails to pay the required fees for continuance of registration within the specified due date and such foreign portfolio investor does not have any cash or security or derivative position in India, such foreign portfolio investor shall be deemed to have applied for surrender of its registration and the designated depository participant of such foreign portfolio investor shall process the surrender after obtaining the approval from the Board.”

In accordance with aforesaid clause with respect to deemed surrender and wherein the client has not submitted the request for closure of depository account, DDPs are requested to send 30 days advance notice to its FPI clients for closure of depository account in accordance with NSDL Business rules.

DDPs / Custodians are requested to take note of the same and ensure compliance.

For and on behalf of

National Securities Depository Limited

**Chirag Shah
Senior Manager**

Enclosed: One

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report for the month of April 2021	May 31, 2021	Through e-PASS	1. Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015 2. Circular No. NSDL/POLICY/2021/0041 dated May 04., 2021

SEBI/ HO/ IMD/ FPI&C/ CIR/ P/ 2021/ 045
March 30, 2021

To

1. Foreign Portfolio Investors (“FPIs”)
2. Designated Depository Participants (“DDPs”) and Custodians
3. The Depositories (NSDL and CDSL)
4. The Recognized Stock Exchanges(Exchanges) and Clearing Corporations

Dear Sir/ Madam,

Sub: Guidelines pertaining to Surrender of FPI Registration

1. In terms of SEBI (Foreign Portfolio Investors) Regulations, 2019, any FPI ('applicant') desirous of surrendering the certificate of registration may request for such surrender to the DDP.
2. Operational Guidelines for FPIs and DDPs issued vide SEBI circular No. IMD/FPI&C/CIR/P/2019/124 dated November 05, 2019 prescribes the procedural requirements to be followed by the DDP for processing such requests.
3. In order to have a uniform market practice for processing of such surrender requests, DDPs shall adhere to the following additional guidelines:
 - a) While making an application to SEBI for seeking “No Objection Certificate” (NOC) for surrender, the DDP shall confirm the following with respect to the FPI:
 - i) Accounts held by the applicant in the capacity of FPI have NIL balance and are blocked for further transactions. Further, the CP code of the FPI is also blocked.
 - ii) There are no dues/ fees pending towards SEBI.
 - iii) There are no actions/ proceedings pending against the said applicant.
 - b) DDP shall ensure that:
 - i) all the accounts (including bank account and securities account) held by the applicant in the capacity of FPI are closed; and
 - ii) the CP code is deactivatedwithin 10 working days from the date of receipt of NOC from SEBI.

4. This circular shall come into force with immediate effect.
5. Custodians and DDPs are advised to bring the provisions of this circular to the notice of their clients.
6. This circular is issued in exercise of the powers conferred by Section 11(1) of Securities and Exchange Board of India Act, 1992.
7. A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in.

Yours faithfully,

Amit Tandon
General Manager
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