

Circular No.: NSDL/POLICY/DDP/2024/0005

June 06, 2024

**Subject: SEBI Circular on 'Disclosures of Material Changes and Other Obligations for Foreign Portfolio Investors'.**

Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) / Custodian of Securities (Custodians) is invited to SEBI circular no. SEBI/HO/AFD/AFD-POD-2/P/CIR/2024/76 dated June 05, 2024 regarding '*Disclosures of Material Changes and Other Obligations for Foreign Portfolio Investors*'. **(Copy enclosed).**

DDPs/Custodians are requested to take note of the same. For any information/clarifications, DDPs/Custodians are requested to email at [fpimonitor@nsdl.com](mailto:fpimonitor@nsdl.com)

**For and on behalf of  
National Securities Depository Limited**

**Arockiaraj  
Manager**

Enclosure: One

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 <sup>th</sup> of the following month	Through e-PASS	Para 22 of 'Grievance Redressal' chapter and Para 28 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants.
Artificial Intelligence /Machine Learning Reporting Form (Annually)	Within three months of the end of the financial year	Through e-PASS	Para 10 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants.
Annual System Audit Report (Yearly)	June 30 <sup>th</sup>	Through e-PASS	Para 20.5 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants.

**National Securities Depository Limited**

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Corporate Identity Number: U74120MH2012PLC230380



**CIRCULAR**

**SEBI/HO/AFD/AFD-POD-2/P/CIR/2024/76**

**June 05, 2024**

To,

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

Dear Sir / Madam,

**Subject: Disclosures of Material Changes and Other Obligations for Foreign Portfolio Investors**

1. SEBI vide “Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors” No. SEBI/HO/AFD/AFD-PoD-2/P/CIR/P/2024/70 dated May 30, 2024 (hereinafter referred to as the ‘FPI Master Circular’) has, *inter alia*, specified the timelines for disclosure of certain material changes/events.
2. [SEBI \(Foreign Portfolio Investors\) \(Amendment\) Regulations, 2024](#) were notified on June 03, 2024, amending the SEBI (Foreign Portfolio Investors) Regulations, 2019, *inter alia*, to relax the timelines for disclosure of material changes/events and other obligations by Foreign Portfolio Investors (FPIs).
3. In view of the above amendments, the FPI Master Circular stands modified as follows:
  - 3.1. Para 14 of Part A stands modified as under:

“i. In terms of Regulation 22, if there is any change in the material information previously furnished by the FPI to the DDP and/or SEBI, which has a bearing on the certificate granted by the DDP on behalf of the Board, it shall inform the DDP and/or the Board in writing, in the following manner:



- a. 'Type I' material changes shall be informed by FPIs as soon as possible and within seven working-days of the occurrence of the change and the supporting documents (if any) shall be provided within 30 days of such change. This category shall include critical material changes that
- I. render the FPI ineligible for registration
  - II. require FPI to seek fresh registration
  - III. render FPI ineligible to make fresh purchase of securities
  - IV. impact any privileges (e.g. QIB) available or granted to the FPI under the extant regulatory framework
  - V. impact any exemptions available or granted to the FPI under the extant regulatory framework
- b. Accordingly, the following material changes shall be considered as 'Type I' material changes:
- I. Change of Jurisdiction
  - II. Name change on account of acquisition, merger, demerger, restructuring, change of ownership/control
  - III. Acquisition/merger/demerger resulting in cessation of existence of FPI
  - IV. Restructuring of legal form/sub-category (e.g. Corporate to trust)
  - V. Change in regulatory status of the FPI (e.g. regulated to unregulated fund)
  - VI. Change in compliance status of jurisdiction of FPI/BO in terms of Regulation 4(d), 4(e) or 4(f) of the FPI Regulations, 2019
  - VII. Reclassification of the FPI from Category I to Category II
  - VIII. Addition of FPI(s) to any existing/new investor group(s)
  - IX. FPIs obtaining registration under Category-I on support of an Investment Manager (IM) and such IM being either removed (temporarily/permanently) or losing its Category I eligibility
  - X. Breach of prescribed threshold for aggregate contribution of NRIs, OCIs and RIs

- XI. Any information or particulars previously submitted to the Board or DDP are found to be false or misleading, in any material respect
- XII. Any penalty, pending litigation or proceedings, findings of inspections or investigations for which action may have been taken or is in the process of being taken by an overseas regulator
- XIII. Changes which impact any exemption granted in terms of SEBI Circular dated August 24, 2023
- XIV. Breach of any of the eligibility criteria as specified under Regulation 4 of FPI Regulations, 2019 unless the FPI has been exempted from complying with the said criteria

c. 'Type II' material changes, i.e., any material changes other than those considered as 'Type I' material changes, shall be informed and supporting documents (if any) shall be provided by FPIs as soon as possible and within 30 days of such change.

ii. The DDP shall examine all material changes informed by the FPIs and re-assess the eligibility of the FPI including requiring FPIs to seek fresh registration. However, the DDP shall mandatorily require the FPI to seek fresh registration in case of 'Type I' material changes listed at sr. no. I to VI of clause (b) of para 14(i) above.

iii. Where there is a delay in intimation of material change by the FPI to the DDP, the DDP shall, as soon as possible but not later than two working days, inform all such cases to SEBI for appropriate action, if any, along with reason for delay.”

3.2. Para 12 (iii) of Part A stands modified as under:

“Deletion of sub-fund/share classes/equivalent structure that invests in India, shall be considered a 'Type II' material change in terms of Para 14(i) below.”

4. 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 and 44 of SEBI (Foreign Portfolio Investors) Regulations, 2019 to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
5. This Circular is available at [www.sebi.gov.in](http://www.sebi.gov.in) under the link "Legal ---Circulars".

Yours faithfully,

**Manish Kumar Jha**  
**Deputy General Manager**  
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