

Dated: 30th March, 2020

NOTICE

Trading Members are hereby informed that the Exchange has received a Circular from SEBI Vide Ref. No SEBI/HO/FPI&C/CIR/P/2020/056, dated March 30, 2020 regarding Temporary relaxation in processing of documents pertaining to FPIs due to COVID-19 . The contents of the said circular are reproduced hereunder for information of trading members.

Quote: -

CIRCULAR

SEBI/HO/FPI&C/CIR/P/2020/056

March 30, 2020

To,

1. All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.
2. Designated Depository Participants ("DDPs")/ Custodian of Securities.
3. All Recognized Stock Exchanges/ Clearing Corporations
4. All recognized Stock Exchanges and Clearing Corporations in International Financial Services Centres
5. The Depositories (NSDL and CDSL)
6. Stock Brokers through Recognized Stock Exchanges
7. Depository Participants through Depositories
8. KYC Registrations Agencies (KRAs)

Dear Sir / Madam,

Subject: Temporary relaxation in processing of documents pertaining to FPIs due to COVID-19

1. In terms of Operational guidelines for Foreign Portfolio Investors (FPIs) & Designated Depository Participants (DDPs) issued under Securities and Exchange Board of India (FPI) Regulations, 2019, FPI applicant shall submit duly signed application form (including KYC details) and supporting documents and applicable fees. Further, copies of all the KYC documents submitted by the applicant should be accompanied by originals for verification. In case the original of any KYC document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents.

2. In light of the recent events pursuant to COVID 19, a need has been felt for temporary relaxations with respect to compliance requirements for FPIs. Accordingly, SEBI has decided to grant the following relaxations in a situation where FPIs are not in a position to send original and/or certified documents as specified in Operational uidelines for Foreign Portfolio Investors (FPIs) & Designated Depository Participants (DDPs) issued under Securities and Exchange Board of India (FPI) Regulations, 2019:

(a) DDPs & Custodians may consider and process the request(s) for registration/ continuance/ KYC / KYC review & any other material change on the basis of scanned version of signed documents (instead of originals) and copies of documents which are not certified, received from

(i) e-mail IDs of their Global Custodians/existing clients where these details are already captured in records or

(ii) e-mail IDs of new clients received from domains which are duly encrypted with Transport –layer security (TLS) or similar encryption or the documents are password protected.

(b) These documents may be uploaded on KRAs. The other intermediaries may rely on said documents.

3. The above temporary relaxations shall be applicable till June 30, 2020. DDPs & Custodians shall ensure to obtain the original and/or certified documents (as applicable normally) within 30 days from the aforesaid deadline. In case required documents for registration/ KYC are not received by said deadline, the accounts of such FPIs shall be blocked for any fresh purchase. In case documents are still not received within 3 months of said deadline, DDPs & Custodians shall report these cases to SEBI for appropriate action.

4. Intermediaries should undertake necessary due diligence including that required for regulatory and risk based approach towards compliance with AML requirements while processing these documents based on scan copy.

5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Sub-rule 14(i) of Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

6. A copy of this circular is available at the web page “Circulars” on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
General Manager
Tel No.: 022-26449619
achals@sebi.gov.in

Unquote: -

Trading Members are requested to take note of the aforesaid guidelines of SEBI and act accordingly.

Dhiraj Chakraborty
Compliance Officer