



New framework for Foreign Portfolio Investors (India)



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[How can we help?](#)

[Our Tax Services](#)

The Securities and Exchange Board of India (SEBI) has, on 23 September 2019, notified SEBI (Foreign Portfolio Investors) Regulations, 2019, thereby repealing the SEBI (Foreign Portfolio Investors) Regulations, 2014.

SEBI has also issued Operational Guidelines for Foreign Portfolio Investors ('FPIs'), Designated Depository Participants and eligible foreign investors on 05 November 2019, to facilitate the implementation of the new SEBI FPI Regulations, 2019. With these new Operational Guidelines, the existing circulars, FAQs, operating guidelines, and other guidance issued by SEBI (as listed in Annexure-A to the Operational Guidelines) are no longer applicable.

The new SEBI FPI Regulations, 2019 and Operational Guidelines primarily aim to ease the registration process, eliminate redundant regulatory conditions and lessen the compliance requirements for FPIs.

Key impact on Mauritius Funds

- Since Mauritius is not a member of the Financial Action Task Force ('FATF'), Funds from Mauritius may not be eligible to obtain registration as a Category I FPI, except as discussed below.
- Funds can obtain Category I FPI registration under the following two situations:
 - There is at least 75% direct or indirect ownership by an entity eligible to obtain Category I FPI registration; or
 - The funds have a regulated investment manager (an FATF member country) and is registered as a non-investing Category I FPI.
- Broad based condition is no longer required to be satisfied for a fund to be characterised as a Category I FPI.
- Category II FPIs are not allowed to issue/invest in Offshore Derivative Instruments.
- There could be additional KYC compliances for funds which were Category II under the previous SEBI FPI Regulations, 2014 and which continue to be Category II under the new SEBI FPI Regulations, 2019.

How can we help?

In case you are investing into India under the FPI route or are interested to invest in India, we can help and assist you in the following:

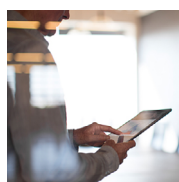
At the time of set-up

- Conceptualisation and implementation of structure for the purpose of investing in India; and
- Obtaining the Permanent Account Number (PAN) in India (i.e. tax identification number) and FPI registration with the SEBI.

On-going compliance and advisory services

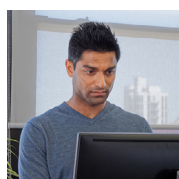
- Compliance services such as determination of tax liability for repatriation purposes, assistance in preparation of annual income-tax return and assistance in tax audit with the Indian tax authorities;
- Providing customised reports as per the requirements of the Funds; and
- Any other tax or regulatory advice, which may be required by the Funds.

Access more related content



[Click here to access the SEBI FPI Regulations 2019.](#)

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[Watch the webcast capturing the key aspects of the new SEBI FPI Regulations and Operational Guidelines.](#)

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India Desk in Mauritius contacts



Deepa Nunhuck
Manager, India Desk
deepa.d.nunhuck@pwc.com



Anshee Sunnassee
Manager, International Tax Services
sunnassee.anshee@pwc.com

Other contacts



Anthony Leung Shing
Country Senior Partner & Tax Leader
anthony.leung.shing@pwc.com



Dheerend Puholoo
Partner
d.puholoo@pwc.com