



भारतीय प्रतिभूति और विनियम बोर्ड Securities and Exchange Board of India

CIRCULAR

SEBI/HO/FPI&C/P/CIR/2021/0569

June 01, 2021

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

Dear Sir / Madam,

Subject: 'Off-market' transfer of securities by FPI

1. The Finance Act, 2021 provides tax incentives for relocating foreign funds to International Financial Services Centre (IFSC) in order to make the IFSC in GIFT City a global financial hub.
2. In view of the above objective and to further facilitate such 'relocation', it has been decided that a FPI ('original fund' or its wholly owned special purpose vehicle) may approach its DDP for approval of a one-time 'off-market' transfer of its securities to the 'resultant fund'. The terms 'original fund', 'relocation' and 'resultant fund' will have the same meaning as assigned to them under the Finance Act, 2021.
3. The DDP after appropriate due diligence may accord its approval for a one-time 'off-market' transfer of securities for such relocation.
4. Relocation request will imply that the FPI has deemed to have applied for surrender of its registration and the DDP may be guided by the guidelines pertaining to surrender of FPI registration.
5. The 'off-market' transfer shall be allowed without prejudice to any provisions of tax laws and FEMA.
6. Para 3, Part C of SEBI Circular No. IMD/FPI&C/CIR/P/2019/124 dated November 05, 2019 stands modified to the extent of para 2 above.
7. DDPs and Custodians are requested to bring the contents of this circular to the notice of their clients.



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8. The circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992.
9. A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in.

Yours faithfully,

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