

Proposed additional disclosures by FPIs

SEBI has released a consultation paper seeking public comments by June 20, 2023 ([available here](#)), in order to prevent, the *potential circumvention of minimum public shareholding norms* and the misuse by Foreign Portfolio Investors (“FPIs”), to *evade the requirements of Press Note 3* issued by FDI Policy Section of the Department for Promotion of Industry and Internal Trade, in 2020 ([available here](#)). The key proposals set out in the consultation paper are outlined hereunder:

- Enhanced transparency measures for *identifying all holders of ownership, economic interests, and control rights* to be mandated for certain objectively identified FPIs.
- Certain identified FPIs to *provide granular data* of all entities *on a full look-through basis* to the level of all natural persons and/ or public retail funds or large public listed entities.
- Any *failure* by such identified FPIs in providing such granular disclosures would *render the FPI registration invalid* and such FPIs would be required to *wind down within 6 months*.

This Update is meant for general information and shall not be deemed to be a legal advice or opinion. This Update is neither intended to be an advertisement or solicitation.

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