



CIRCULAR

CIR/IMD/FIIC/1/ 2010

April 15, 2010

To

All Foreign Institutional Investors
through their designated Custodians of Securities

Dear Sir/ Madam,

Sub: Additional information regarding PCC, MCV or equivalent structure by FIIs.

1. In order to ascertain the constitution of Foreign Institutional Investors (FII) and Sub Accounts (SA), it has been decided to gather additional information pertaining to their structure.
2. In view of the above, all applications submitted for registration w.e.f April 07, 2010 shall be accompanied by the following declarations and undertakings on the letter head of respective FII, duly signed by its authorised signatory on behalf of itself and all its Sub Accounts.

Declarations

The applicants are required to provide the following declarations on its letter head

Please tick whichever applicable.

(a) The applicant declares that it is not a Protected Cell Company (PCC) or Segregated Portfolio Company (SPC) and does not have an equivalent structure by whatever nomenclature.

(b) The applicant declares that it is not a Multi Class Share Vehicle (MCV) by constitution and does not have an equivalent structure by whatever nomenclature. It contains only single class of share.

(c) The applicant declares that it is a MCV by constitution and has more than one class of shares or has an equivalent structure and that a common portfolio is maintained for all classes of shares and satisfies broad based criteria.

OR

(c) A segregated portfolio is maintained for separate classes of shares wherein each such class of shares are in turn broad based.



Undertakings

In case the applicant is/ proposed to be a MCV or an equivalent structure and have more than one class of shares, it shall undertake the following on its letter head:

(a) Common portfolios shall be allocated across various share classes and it shall be broad based;

OR

(a) If portfolios are segregated for each distinct share class, then each such share class shall satisfy the broad based criteria;

(b) In case of change in structure/ constitution/ addition of classes of shares, prior approval of SEBI shall be taken;

(c) In case of any addition of share classes, it shall follow the criteria at (a) above.

3. All the existing Foreign Institutional Investors and Sub Accounts who are already registered as on April 07, 2010, shall provide the above-mentioned declarations and undertakings on or before September 30, 2010.

The custodians are requested to bring the contents of this circular to the notice of their respective FII clients for compliance with the timelines indicated herein.

This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

This circular is available on SEBI website at www.sebi.gov.in, under the categories "Legal Framework" and "Information For - FII".

Yours faithfully,

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