



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

IMD/HO/FPIC/CIR/P/ 2017/ 001
January 02, 2017

To,

**All Designated Depository Participants ("DDPs")/ Custodian of Securities
All Foreign Portfolio Investors through their designated Custodians of Securities**

Sir / Madam,

Subject : Reference to Circular no. FITTC/FII/02/2002 dated May 15, 2002- In regard to credit of proceeds due to write off of securities held by Foreign Portfolio Investors/deemed Foreign Portfolio Investors.

1. Please refer to SEBI's circular no. FITTC/FII/02/2002 dated May 15, 2002. ([http://www.sebi.gov.in/cms/sebi_data/pdffiles/16883 t.pdf](http://www.sebi.gov.in/cms/sebi_data/pdffiles/16883_t.pdf))
2. In partial modification to the above circular, pursuant to the notification of SEBI (Investor Protection and Education Fund) Regulations, 2009, SEBI has established its own Investor Protection and Education Fund.
3. In view of the above, in terms of Regulation 4(g) of SEBI (Investor Protection and Education Fund) Regulations, 2009, any proceeds due to :
 - a. **Disinvestment:** In case a custodian is unable to deliver the securities or ascertain the claimant for the securities that are received subsequent to write off due to any unforeseen circumstances viz. deemed Foreign Portfolio Investor/Foreign Portfolio Investor no longer existing/operating or expiry of SEBI registration/FEMA approval, etc., the sale of these securities through stock exchange and proceeds thereof net of expenses shall be credited to the ***Investors Protection and Education Fund of SEBI*** not later than 7 days from the date of receipt thereof.



भारतीय प्रतिभूति और विनियम बोर्ड Securities and Exchange Board of India

- b. **Corporate benefits:** In case of receipt of corporate benefits in the form of securities arising out of shares written off, the same shall be reported to SEBI in the normal manner. Similarly, corporate benefits received in the form of cash viz. dividend shall be credited to the **Investors Protection and Education Fund of SEBI** not later than 7 days from the date of receipt of the same.
4. All other terms and conditions laid down in the circular no. FIITC/FII/02/2002 dated May 15, 2002 shall continue to apply.
5. 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 market.
6. A copy of this circular is available at the web page “Circulars” and “Info for F.P.I” on our website www.sebi.gov.in. The Designated Depository Participants/Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

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