



**CIRCULAR**

SEBI/HO/MRD/ DSA/CIR/P/2017/ 45

May 23, 2017

1. All Stock Exchanges in International Financial Services Centre (IFSC)
2. All Portfolio Managers operating in IFSC
3. All Mutual Funds and Alternate Investment Funds operating in IFSC

Dear Sir / Madam,

**Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015 - Permissible investments by Portfolio Managers, Alternate Investment Funds and Mutual Funds operating in IFSC**

Kindly refer to SEBI (IFSC) Guidelines, 2015 which were notified by SEBI on March 27, 2015.

2. Clause 9 (4) and Clause 22 (3) of SEBI (IFSC) Guidelines, 2015 specify the securities in which portfolio managers and alternative investment fund or mutual fund respectively, operating in IFSC are permitted to invest in. Based on the consultations held with the stakeholders, it has been decided to amend Clauses 9 (4) and 22 (3) of the Guidelines. The amended Clauses shall read as follows:

- A. Clause 9 (4) of SEBI (IFSC) Guidelines, 2015 is amended to read as follows:

"A portfolio manager operating in IFSC shall be permitted to invest in the following:

- a) Securities which are listed in IFSC;
- b) Securities issued by companies incorporated in IFSC;
- c) Securities issued by companies incorporated in India or companies belonging to foreign jurisdiction.

subject to such conditions or guidelines that may be stipulated or issued by the Reserve Bank of India and Government of India from time to time "

- B. Clause 22 (3) of SEBI (IFSC) Guidelines, 2015 is amended to read as follows:

"Any alternative investment fund or mutual fund operating in IFSC shall be permitted to invest in the following:

- a) Securities which are listed in IFSC;
- b) Securities issued by companies incorporated in IFSC;
- c) Securities issued by companies incorporated in India or companies belonging to foreign jurisdiction.

subject to such conditions or guidelines that may be stipulated or issued by the Reserve Bank of India and Government of India from time to time"

3. Further, it is clarified that such portfolio manager, alternative investment fund or mutual fund shall invest in India through the foreign portfolio investor route.
4. 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. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

Yours faithfully,

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