



CIRCULAR

SEBI/HO/AFD/AFD-POD-3/P/CIR/2025/71

May 16, 2025

To,

1. Foreign Portfolio Investors (“FPIs”)
2. Designated Depository Participants (“DDPs”) and Custodians
3. The Depositories
4. The Stock Exchanges and Clearing Corporations

Dear Sir / Madam,

Subject: Extension of timeline for implementation of provisions of SEBI circular dated December 17, 2024 on Measures to address regulatory arbitrage with respect to Offshore Derivative Instruments (ODIs) and FPIs with segregated portfolios vis-à-vis FPIs

1. SEBI vide Circular No. SEBI/HO/AFD/AFD-POD-3/P/CIR/2024/176 dated December 17, 2024, *inter alia*, provided for additional disclosures to be made by ODI subscribers and FPIs with segregated portfolios. The provisions were contained in paragraphs 2.2 to 2.7 of the said circular.
2. Paragraphs 4 and 5 of the said circular, *inter-alia*, specifies the following:
 - “4. The provisions of this circular except Para 2.2 to 2.7 shall come into force with immediate effect. Para 2.2 to 2.7 shall come into effect after 5 months from the date of this Circular.....
 5. Depositories are advised to put in place appropriate systems, procedures and mechanisms to ensure compliance with the provisions of this Circular within 5 months from the date of this Circular.”
3. Based on representations received from market participants and in order to ensure smooth implementation of the said circular, it has been decided to extend the above timeline, prescribed under Paragraphs 4 and 5 of the said circular, to November 17, 2025.

4. All other provisions of SEBI circular dated December 17, 2024 shall remain unchanged.
5. This Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulations 21, 22(1), 22(6), 22(7) and 44 of SEBI (Foreign Portfolio Investors) Regulations, 2019, and Sub-rule 14 (i) of Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
6. This Circular is available at www.sebi.gov.in under the link "Legal ---Circulars".

Yours faithfully,

Aparna Thyagarajan
Chief General Manager
Tel No.: 022 –26449024
E-mail: aparnat@sebi.gov.in