Standard Operating Procedure for implementation of SEBI circular SEBI/HO/AFD/AFD-POD-2/P/CIR/2024/76 dated June 05, 2024 on Disclosures of Material Changes and Other Obligations for FPIs

1. SEBI vide circular no. SEBI/HO/AFD/AFD-POD-2/P/CIR/2024/76 dated June 05, 2024 (hereinafter referred to as 'Material Change Circular'), *inter alia*, classified the material changes that need to be reported by FPIs to DDPs into two categories, and specified the disclosure timelines for each case. This SOP has been prepared to achieve uniformity in implementing the same.

2. The Material Change Circular provides that Type I material changes are to be informed by an FPI to its DDP within seven working days of such change and supporting documents, if any, are to be provided within 30 calendar days of such change. Type II material changes are to be informed by an FPI to its DDP, along with supporting documents, if any, within 30 calendar days of such change. An intimation sent (along with relevant documents, as may be required) by the FPI to its DDP, to inform any material change, through its officers (i.e. authorised person(s), compliance officer) as per the agreed mode of communication (electronic or physical) shall be considered a "material change request".

3. For the purpose of such disclosures the effective date of change shall be determined as follows:
    - In case where the name change is required to be approved or taken on record by any regulator/authority, before the same is considered effective, the date of approval/ updation of records by the relevant regulator/authority shall be considered as the effective date. Cases where the approval does not have an effective date of name change by the relevant regulator/authority, the date of board resolution/ equivalent constitution documents/ public notice to shareholders containing the date of name change shall be considered as the effective date
    - For all other cases, like change in Beneficial Owner, change in Clubbing, change in NRI/ OCI/ RI compliances / limits, Addition/ Deletion of Share classes or segregated portfolio, change in regulatory status from regulated to unregulated etc., the effective date will be considered as provided by the client.

4. Where the DDP needs to seek further information from the FPI before processing the material change request, the date on which the material change request is received by the DDP shall be considered the date of intimation of material change by the FPI. Upon receipt of requests from the FPIs, the DDPs shall raise their queries / clarifications with the FPI within 7 working days of receipt of such requests.

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5. A material change request for change in name of FPI shall be processed by the DDP through FPI portal and a new certificate of registration shall be generated. However, any changes in the depository system / cash accounts / records of KYC Registration Agency (KRA), by the Custodian shall be made only after submission of PAN in new name by the FPI.

6. Material change request (including intimation) for Type I changes shall have the following information:
   6.1. Type of change
   6.2. Effective date of change
   6.3. Reason for change
   6.4. Reason for delay in intimation, if applicable.

7. A material change request informing Type I change shall be sent by the FPI to its DDP within seven working days of effective date of such change. However, in case a prior notice / intimation of Type I change has been received from FPI before the effective date but complete details including supporting documents are received post seven working days of the effective date but not later than 30 days from the effective date of change, the same shall not be considered as delay in intimation of Type 1 material change. In case of GS-FPIs, the FPI shall inform its DDP along with supporting documents (if any) within 30 days from the effective date of change.

8. With respect to reporting of delay in intimation, the following timelines shall apply:

<table>
<tr><th>Type of Change</th><th>Type of Delay</th><th>Email Reporting</th><th>SI Portal Reporting
(to be done only upon processing)</th><th>No of reporting</th></tr>
<tr><td>Type II</td><td>Complete Document Delay (>30 day)</td><td>No</td><td rowspan="3">To be reported within 2 working days of processing</td><td>SI - 1</td></tr>
<tr><td rowspan="2">Type I</td><td>Only Intimation Delay (>7 day)*</td><td rowspan="2">Yes

(Twice, one after intimation & one after</td><td rowspan="2">Email - 2
SI - 1</td></tr>
<tr><td>Intimation Delay* (>7 day) + Complete</td></tr>
</table>

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	Document Delay (>30 days)	**processing of** complete set)		
Type I	Only Complete Document Delay (>30 day)	Yes (after ~~receiving~~ **processing of** complete set)		Email - 1 SI - 1

*Intimation delay is not applicable for GS-FPI

9. Where there is a delay in intimation / receipt of documents of Type I material change by the FPI to its DDP, the DDP shall inform all such cases to SEBI at misc-fpi@sebi.gov.in, along with reason for delay:
   9.1. within two working days of receipt of complete intimation details (covering all information as per point 6 above) when there is a delay in intimation
   and/or
   9.2. within two working days of processing complete set of documents; along with supporting documents received from FPI, when there is a delay in submission of documents.

10. The DDPs thus, need to report delays (via email) in submissions of Type I changes as follows:
   10.1. Within 2 working days of receipt of complete delayed intimation details;
   10.2. Within 2 working days of processing of such changes, even if documents are received within prescribed timelines but there was delay in intimation by FPI

11. For both Type 1 and Type 2 material change, once complete documents are received by DDP, the same shall be processed within 10 days for Type 1 change and 30 days for Type 2 change and shall be reported to SEBI on the SI portal within two working days of processing the request by the DDP.
   The reporting in the SI portal shall be done only after complete processing of the material change request from the FPIs, to avoid dual reporting in the SI Portal.

   Reporting format for SI Portal is attached below :

CMI_Revised_Reporting_Format_DDP.1..

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(Note: As the CMI reporting is event based, DDPs are allowed to make submissions multiple times in a day, without any restrictions.)

12. Reporting for Clubbing Events: Information related to investor group is critical material information and timely intimation of the same is necessary to ensure effective monitoring of investment limits by NSDL. On receipt of complete information and documents w.r.t. any change in investor group, the DDP shall make the necessary update in the NSDL Portal within 2 working days of receipt of such information and documents. Further, it is imperative that clubbing/grouping information of the respective FPIs in the records of the DDP are accurate and complete. Therefore, in case of clubbing event involving FPIs registered with multiple DDPs/Custodians, the other DDPs who have received a notification triggered by NSDL email shall also necessarily seek clarification from their FPIs on the clubbing only if such a change is on account of:
    - any addition of existing FPIs to an existing group OR
    - creation of new group which includes any of existing FPIs.

13. The requirement to seek clarification by other DDPs from their FPIs would not apply in case of clubbing events triggered on account of addition of the newly registered FPI, or on account of addition/ deletion of ODI subscribers only, or changes in depository accounts due to change of custodian or deletion of FPI from the group. NSDL in their alerts shall explicitly specify the specific action taken by them such as Addition of newly registered FPI XXXX, Addition of existing FPI XXXX Deletion of FPI XXXX, Modification of demat account for FPI XXXX, etc. Upon seeking clarification from the FPIs after NSDL triggered email, in the event of a delay in intimation of clubbing request/change by the FPI, the same shall also be reported by the DDPs to SEBI as part of delay in intimation of reporting. For this purpose, it is clarified that mere deletion of an existing FPI from an existing investor group (without any corresponding addition in / formation of another investor group) may not be included in the reporting towards delay in intimation regardless of the timelines for the intimation pertaining to such deletion,

14. In cases where the material changes require the FPI to seek fresh registrations, the Custodians / DDPs shall block all further fresh purchases in the account.

15. The Material Change Circular has come into force with effect from June 05, 2024. Prior to issuance of the circular, cases where delay in intimation exceeded six months were reported to SEBI. Thus, for the cases where processing of applications for change in material information was not completed by the DDP as on the effective date of the circular, the revised timelines for reporting of instances of delay in intimation

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(i.e. after 7 working days/ 30 calendar days) shall be applicable in the cases where the complete documents/information was not submitted (including by email) to the DDP as on June 05, 2024. Thus, in cases where the FPI has intimated the change in material information along with all the documents/information by June 05, 2024, the revised timelines (7 working days/ 30 calendar days) are not applicable.

Submission Type	**Timeline applicable**
Intimation before June 05, 2024, with pending queries / documentation	30 days from effective date
Intimation before June 05, 2024 with complete documentation	6 months from effective date of change
Any intimation on or after June 05, 2024	7working days /30 calendar days depending on Type I / II

16. The SOP may be updated on an ongoing basis by these stakeholders, in consultation with SEBI, based on the experience and feedback received and basis any further guidelines issued by SEBI in this regard.

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