

Corpsec Hotline

October 08, 2008

P NOTES- ALMOST FULL CIRCLE, CONT....

In furtherance to the press release on October 6, 2008, the Securities Exchange Board of India (“SEBI”) today announced vide a circular that the removal of the restrictions on issuance of Offshore Derivative Instruments (“ODIs”) by Foreign Institutional Investors (“FII”) will be effective from the close of market hours on October 7, 2008.

Further, we received some clarifications on an informal basis from SEBI officials and we were made to understand that these changes are currently only being effected on two aspects:

- The 40% cap of assets under custody (“AUC”) on FIIs to issue ODIs has been removed; and
- FIIs can now issue ODIs with underlying as derivatives.

We understand that currently there seems to be no relaxation on the aspects of ODIs being issued only to “person regulated by an appropriate foreign regulatory authority”; and on the prohibition on sub-accounts to issue ODIs. Hopefully, the formal amendments to the FII Regulations will bring in more clarity to the same.

Reference: P Notes- Almost Full Circle

Source: [Removal of restrictions on ODIs](#)

- **Divaspati Singh & Anshumita Singhania**
You can direct your queries or comments to the authors

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

Taxing Offshore Indirect Transfers in India

February 28, 2025

Unlocking Corporate Philanthropy

February 27, 2025

Digital Health in India

February 26, 2025

Research Articles

Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Key changes to Model Concession Agreements in the Road Sector

January 03, 2025

Audio

CCI's Deal Value Test

February 22, 2025

Securities Market Regulator's Continued Quest Against “Unfiltered” Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

[Click here to view Hotline archives.](#)

Video

SIAC 2025 Rules: Key changes & Implications

February 18, 2025

How Cross Border M&A Will Shape

