

Provided further that a qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of these regulations, for a period of one year from the date of commencement of these regulations, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

(2) An application for the grant of certificate as foreign portfolio investor shall be made to the designated depository participant in Form A of the First Schedule and shall be accompanied by the fee specified in Part A of the Second Schedule.

Eligibility criteria of foreign portfolio investor

4. The designated depository participant shall not consider an application for grant of certificate of registration as a foreign portfolio investor unless the applicant satisfies the following conditions namely,—

- (a) the applicant is a person not resident in India;
- (b) the applicant is resident of a country whose securities market regulator is a signatory to International Organization of Securities Commission's Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the Board;
- (c) the applicant being a bank, is a resident of a country whose central bank is a member of Bank for International Settlements;
- (d) the applicant is not resident in a country identified in the public statement of Financial Action Task Force as:
 - (i) a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or
 - (ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies;
- (e) the applicant is not a non-resident Indian;
- (f) the applicant is legally permitted to invest in securities outside the country of its incorporation or establishment or place of business;
- (g) the applicant is authorized by its Memorandum of Association and Articles of Association or equivalent document(s) or the agreement to invest on its own behalf or on behalf of its clients;
- (h) the applicant has sufficient experience, good track record, is professionally competent, financially sound and has a generally good reputation of fairness and integrity;
- (i) the grant of certificate to the applicant is in the interest of the development of the securities market;
- (j) the applicant is a fit and proper person based on the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008; and
- (k) any other criteria specified by the Board from time to time.

Explanation.—For the purposes of this regulation:

- (i) The term "person" shall have the same meaning as assigned to it under section 2(31) of the Income-tax Act, 1961;
- (ii) The term "non-resident" shall have the same meaning as assigned to it under the Income-tax Act, 1961;
- (iii) The term "resident in India" shall have the same meaning as assigned to it under the Income-tax Act, 1961;