

**MINISTRY OF FINANCE**  
**DEPARTMENT OF ECONOMIC AFFAIRS**  
LOK SABHA

QUESTION NO. 3146

TO BE ANSWERED ON MONDAY 15th MARCH, 2021/ PHALGUNA 24, 1942 (SAKA)

**Permission to FPIs**

3146. SHRI SHANMUGA SUNDARAM K.:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received any request from the Securities Exchange Board of India (SEBI) for granting permission to Foreign Portfolio Investors (FPIs) directly to trade in capital markets;
- (b) if so, the details thereof;
- (c) whether the FPIs will be allowed to access equity markets also;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) the estimated amount of foreign investment for direct participation of FPIs in capital as well as equity markets; and
- (f) the details of protections to be taken to safeguard the domestic investors?

**ANSWER**

**MINISTER OF STATE FOR FINANCE**  
**(SHRI. ANURAG SINGH THAKUR)**

(a) to (e) Foreign Portfolio Investors (FPIs) registered with Securities and Exchange Board of India (SEBI) are permitted to trade in capital markets, including equity markets, in terms of SEBI (Foreign Portfolio Investors) Regulations, 2019 and various Rules and Regulations made under Foreign Exchange Management Act, 1999. SEBI has not made any representation to the Government for granting permission to Foreign Portfolio Investors (FPIs) directly to trade in capital markets.

(f) SEBI undertakes various investor education and awareness activities to create awareness on relevant issues in securities market and to protect the interests of investors in securities market. Further, in order to increase investor awareness among larger number of people, SEBI also carries out mass media campaign giving relevant messages to investors through popular media (TV/ Radio/Print/bulk SMSs/Digital media/cinema). Investor awareness programs/workshops are conducted covering basic aspects of securities market, precautions to be taken while investing in securities market, Rights and obligations of investors, Dos and Don'ts, grievance redressal mechanism in the securities market. Further, in order to safeguard the market integrity including interests of domestic investors, various requirements for FPIs have been put in place under SEBI (FPI) Regulations, 2019 including registration, Know Your Clients (KYC) requirements in terms of Prevention of Money Laundering Act, 2002, Code of conduct, investment conditions and restrictions, monitoring of investments, various reporting requirements.

\*\*\*\*\*