

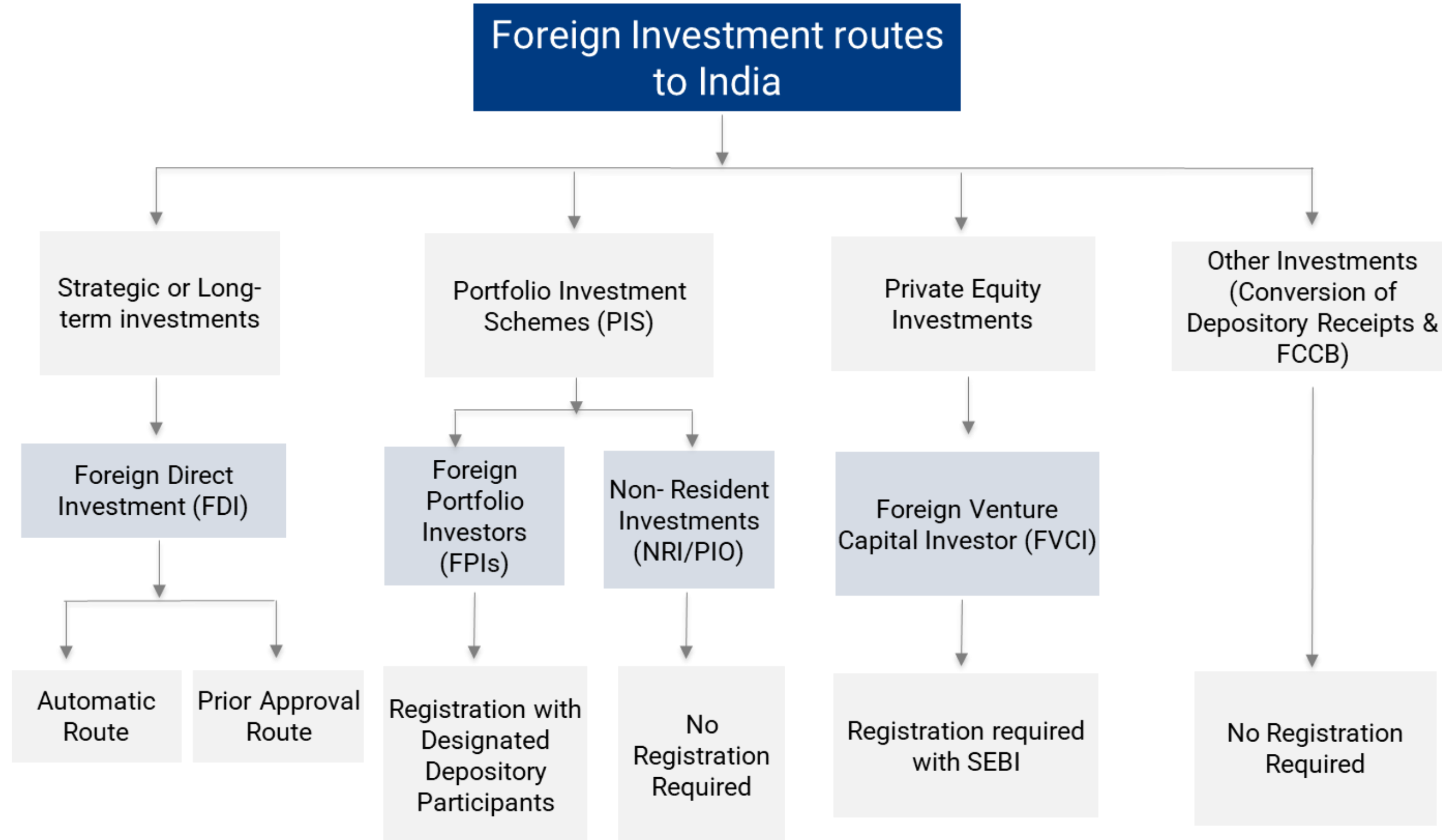
ORBIS



Accessing The Indian Capital Markets



Foreign Investment Routes



The same offshore fund can invest in Indian securities under the FDI as well as FPI route

The Foreign Portfolio Investors Regime

Background, Eligibility Criteria, Categorization, Registration and Compliance Requirements

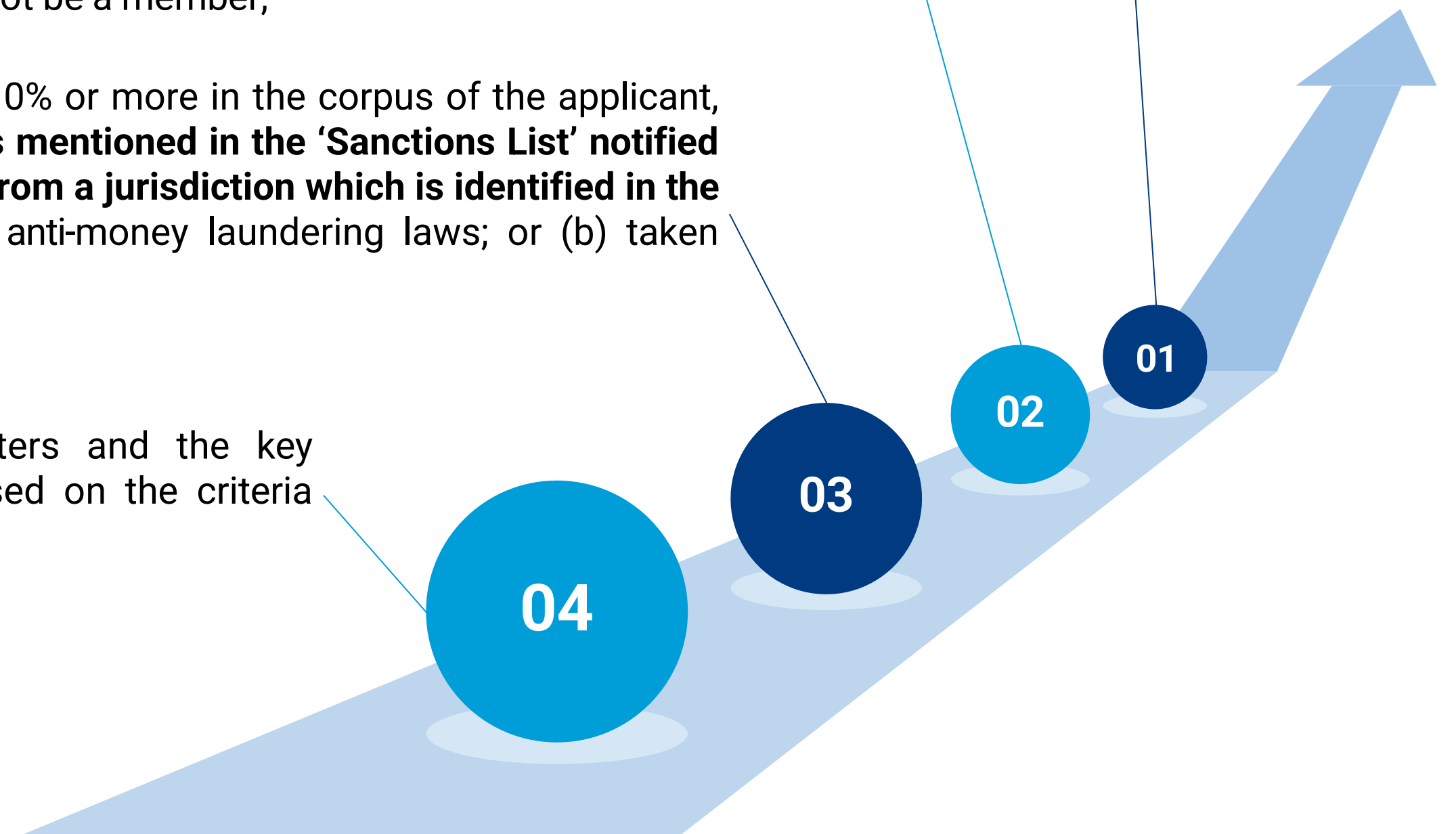
Eligibility Criteria

Resident of a country whose securities market regulator is a **signatory to International Organization of Securities Commission's Multilateral Memorandum of Understanding** or a signatory to bilateral memorandum of understanding with SEBI;

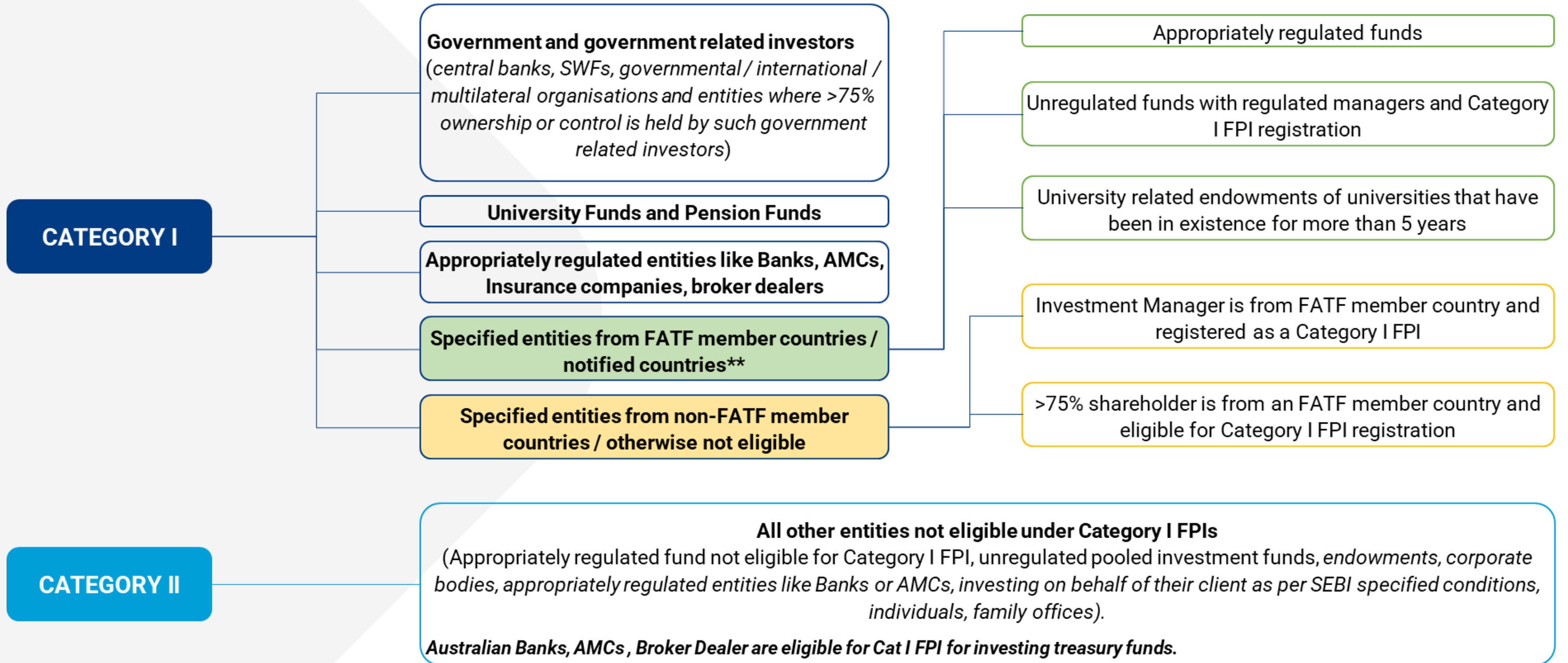
If the applicant is a bank, is resident of a country whose central bank is a member of **Bank for International Settlements** provided that a central bank applicant need not be a member;

The applicant and its underlying investors, contributing 10% or more in the corpus of the applicant, or identified on the basis of control, shall **not be persons mentioned in the 'Sanctions List' notified by the United Nations Security Council** and shall **not be from a jurisdiction which is identified in the public statement of the FATF** as having (a) deficient anti-money laundering laws; or (b) taken insufficient measures to remedy such deficiencies;

The applicant, its principal officer, directors, promoters and the key management persons is a **'fit and proper person'** based on the criteria specified by SEBI.



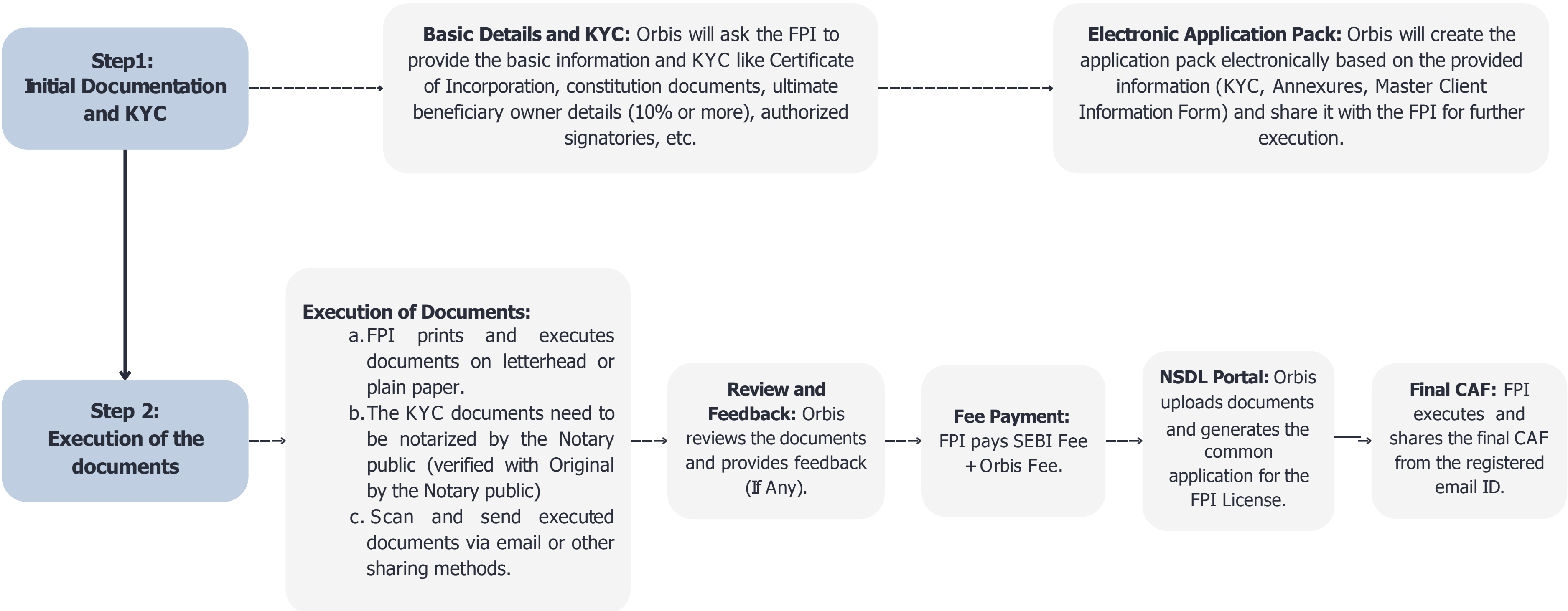
Categories of FPIs



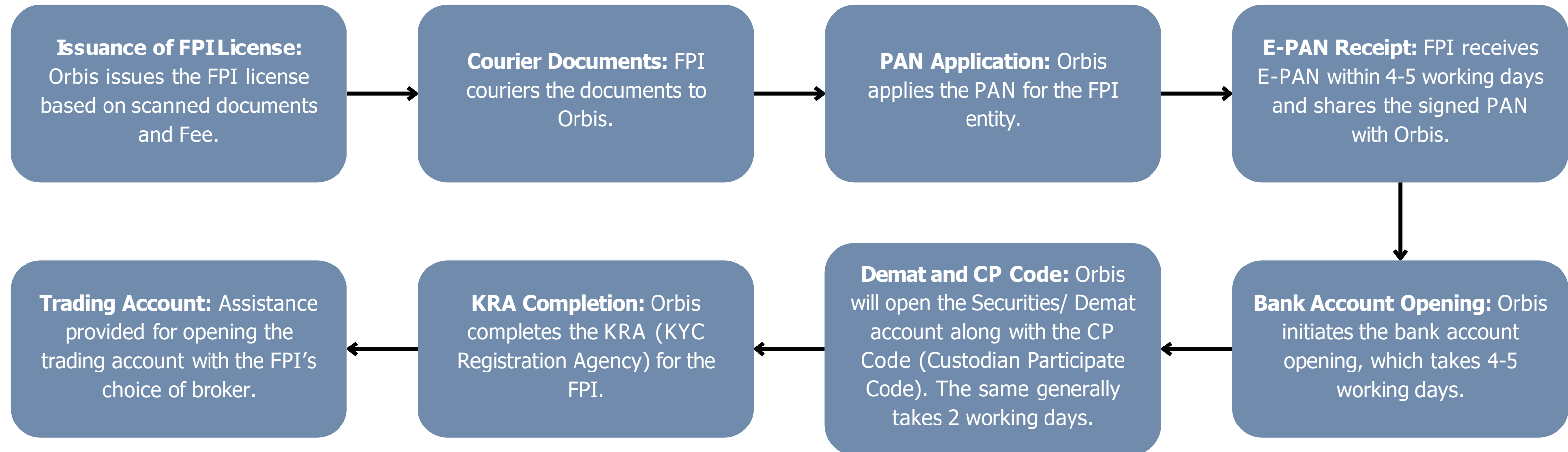
FPI Onboarding Process



Orbis has divided the process into two steps for the ease of onboarding



FPI License and Respective FPI Account Opening



Turn Around Time (TAT)

- **Documentation:** Depends on how quickly the FPI provides the documents. The whole process generally takes 2-3 weeks. Orbis will revert with feedback within 2 working days.
- **CAF Generation:** 2 working days.
- **Issuance of FPI License:** 2-3 working days.
- **PAN:** 4-5 working days (depends on NSDL/Income Tax Department).
- **Bank Account Opening:** 4-5 working days.
- **Demat and CP Code:** 2-3 working days.

Total Time: Post receipt of executed documents, it takes 14-15 working days to complete the necessary infrastructure for the FPI.

Different Position Limits - Category I FPI v Category II FPI

Details	FPI Cat I	FPI Cat II (Other than individuals, Family offices and corporate bodies)	FPI Cat II (Individuals, Family Offices and corporate bodies)
Position Limits on Currency Derivatives Segment	Gross open position limited to higher of: – 15% of total open interest, or – maximum limit specified for each currency pair	Gross open position limited to higher of: – 15% of total open interest, or – maximum limit specified for each currency pair	Gross open position limited to higher of: – 6% of total open interest, or – maximum limit specified for each currency pair
Equity Derivatives – Index Futures and Options #	Position limit – higher of INR 5 billion or 15% of the total open interest in the index futures market in the respective contracts*	Position limit – higher of INR 3 billion or 10% of the total open interest in the market in the respective contracts	Position limit – higher of INR 1 billion or 5% of the total open interest in the market in the respective contracts
Equity Derivatives – Individual securities (Single Stock)	Position limit – 20% of the applicable Market Wide Position Limit (MWPL)	Position limit – 10% of the applicable MWPL	Position limit – 5% of the applicable MWPL
Commodity Derivatives **	Client-level – at par with those currently applicable for Mutual Fund schemes	Client-level – at par with those currently applicable for Mutual Fund schemes	A position limit of 20% of the client-level position limit in a particular commodity derivatives contract

#These limits shall be separately applicable for equity index futures and equity index options as per the current mechanism for all categories of FPIs.

*Additional limits for index derivatives applicable to Category-I FPIs

**FPIs now are allowed to participate in only in cash settled non-agricultural commodity derivative contracts and indices comprising such non-agricultural commodities.

Currently permitted commodities are Brent Crude (exchange level limit of 400,000 BBL) & Oil Natural Gas (exchange level limit of 6,000,000 mmBtu)

Settlement Flow: Equity (Buy / Sell)

Client

- Client places order with the Trader to execute trade
- Parallel instruction to the Custodian to confirm trade

Broker

- Broker executes the trade through CP code.
- Broker sends Contract note to Custodian, through various modes including STP

CP Code:
 Unique
 Custodian
 Participant Code

Buy

Sell

Custodian (Orbis)

- 3 way reconciliation for trade confirmation
- 7:30 PM early pay in (T-Day)
- T+1 (12:30 PM) Payout of shares
- Reconciliation of Shares
- By EOD share credited in Demat account
- Reports can be viewed at Orbis Online Portal

Custodian (Orbis)

- 3 way reconciliation for trade confirmation
- 7:30 PM early pay in (T-Day)
- T+1 (12:30 PM) Payout of funds
- Reconciliation of Funds
- By EOD funds credited in Bank account
- Reports can be viewed at Orbis Online Portal

Trade Servicing

- Trade Processing
- Trade Repair
- Trade Settlement



Asset Servicing

- Securities safekeeping & reconciliation
- Corporate Actions
- Income Accruals



Value Added Services

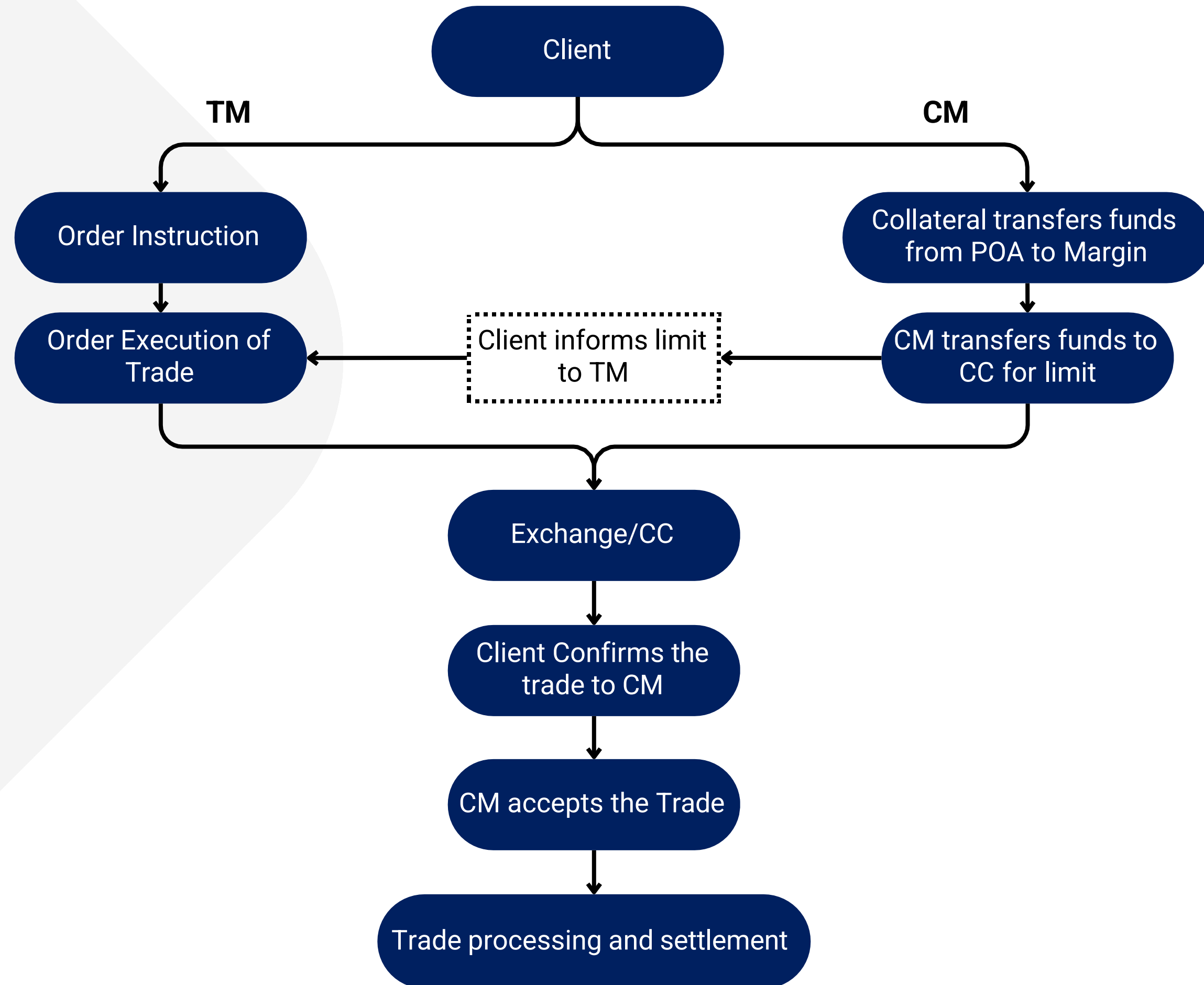
- Banking through Partner Banks
- Foreign Exchange Transition Management
- Regulatory Reporting
- Compliance Monitoring
- Proxy Services



Client Servicing

- Dedicated point of contact for On-boarding & queries.
- Reporting through 'Orbis Online'.
- Market Advocacy

Process Flow: Derivative Clearing

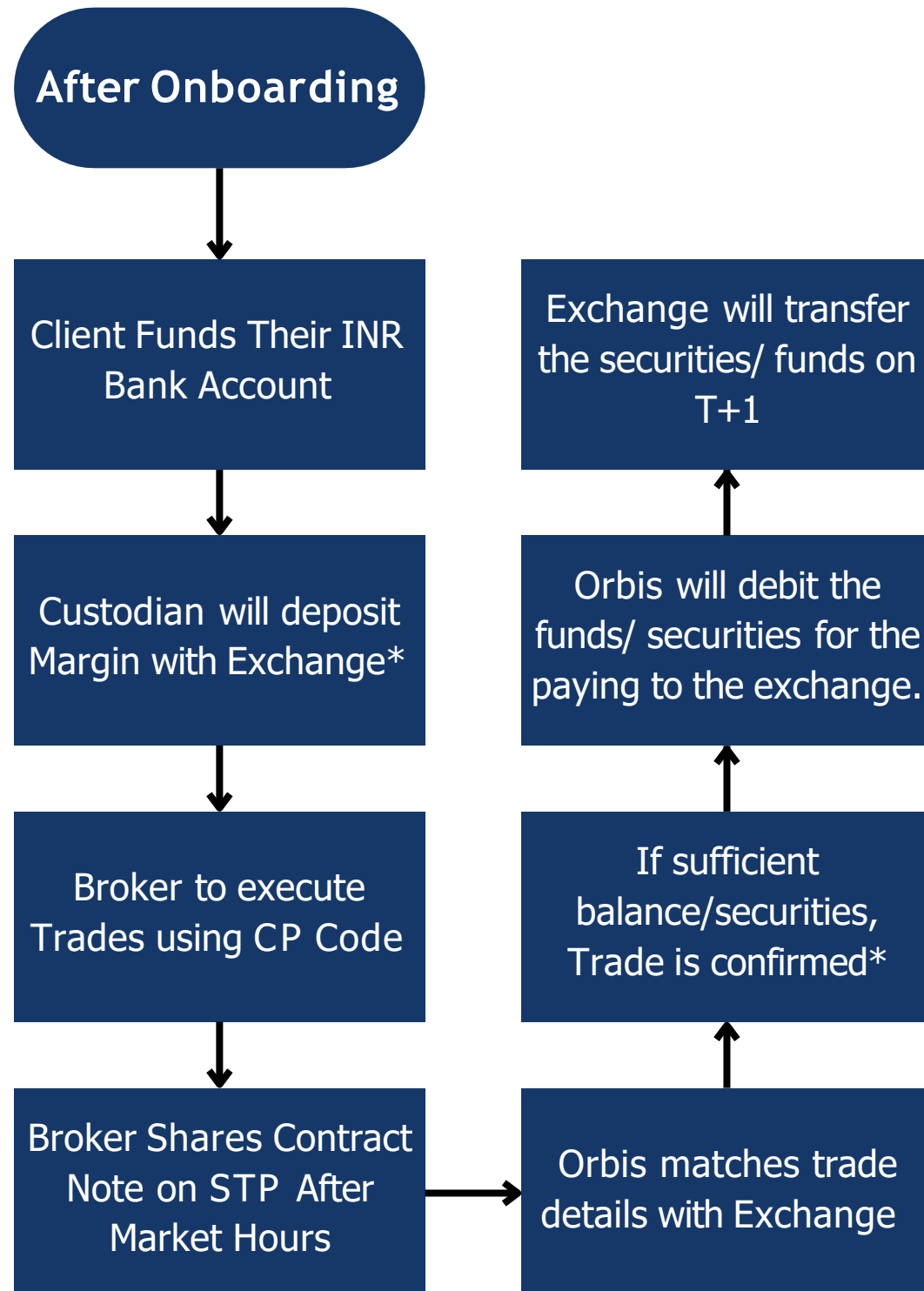


TM: Trading Member
CM: Clearing Member
CC: Clearing Corporation

FPI Custody Process



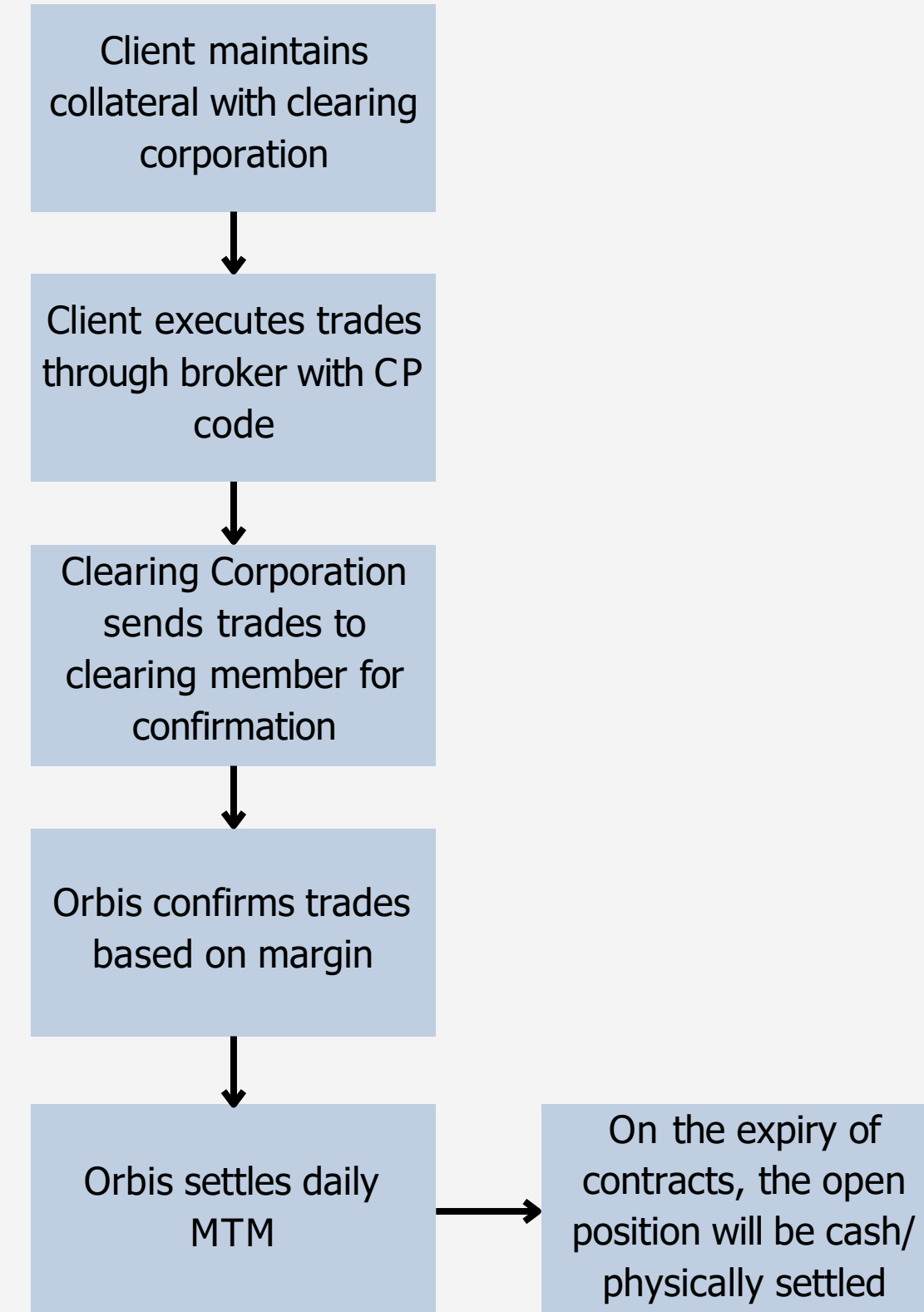
Equity Trade Cycle Process:



Note: The custodian confirms the trade with the exchange at the end of the day (EOD). However, the price of the stock will remain the same as the price at which the trade was executed by the broker.

*FPI will provide standing instructions to Orbis to place margin with exchange and confirm trades subject to funds/securities.

Currency/ Equity Derivative Trade Cycle Process:



Note: The trades in derivatives can be auto-approved on a real-time basis. Orbis will take a declaration from the FPI for the auto confirmation of trades.