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FIIs rush to seek registration details

Khyati Lodaya

MUMBAI: The last day for feedback on the Securities and Exchange Board of India's (Sebi) proposal on pa October 20, Saturday.

But local law firms are already flooded with enquiries regarding registration from foreign institutional inves

Siddharth Shah, head of funds practice at Mumbai-based law firm Nishith Desai Associates, says he expect in the numbers of registrations based on the level of enquiry alone.

"Queries have not only been pouring in from the largest source of FII inflows — the US — but even from E East," Shah said.

Shah has been receiving 15-20 queries during the past two days. "That's the level we normally receive in

Mumbai-based investment bank and business consultancy Atherstone Group has proactively appointed its Sterling Law Partners, to set up helpdesks across global financial centres to assist FIIs.

Atherstone will also begin seminars at Singapore, Hong Kong, London and New York on the registration pr

Manish Jain, vice president of Atherstone, said the move would help the firm gauge the impact of the Sebi investor's mind.

"There is likely to be a surge in the number of FIIs registering with Sebi. We would be conducting roadsho explanations via email."

Atherstone received 20 queries a day after setting up the email facility.

Currently, 1112 FIIs and 3449 sub-accounts are registered with Sebi, as per data available on October 19,

But, Somasekhar Sundaresan, partner at law firm J Sagar & Associates, said the interest level among FIIs been high for quite some time now since the P-note regulations by Sebi have been due for a while.

"Several law firms have offices abroad, which, too, had been hearing queries. We have exclusive tie-ups ir Sundaresan said.

To register, an FII will not necessarily have to fly down its officials to India. The documentation can be dor advisors or their offices abroad.

"Only if Sebi asks for personal attendance will the FII have to come down to complete the procedure," saik

Anoop Narayanan, partner, Majmudar & Co, international lawyers, said, apart from the higher interest froi decision to allow hedge funds to also register as FIIs has ramped up interest.

Though hedge funds have been permitted to register earlier, some of them were not eligible because they in their home country, said Shah of Nishith Desai Associates.

"Some hedge funds cleared earlier may have not come in as hedge funds. But in the last one week Sebi h funds," Shah said.

The regulator in a report on policy options permitting foreign hedge funds to access Indian securities, issued, "All hedge funds are not necessarily speculative funds though most of them provide an alternative for the investors through innovative investment strategy."

But, the norm of registering in their own home town and then only in India may be too cumbersome a pro funds. "Significant delays in the registration process too may be a hindrance," Shah said.

"Sebi says that you could get registered in 2-3 weeks, but we usually tell our clients that it would need 2-3 weeks. The period has been longer for hedge funds.

To ease the registration process, various models have been suggested to Sebi, one of them being setting up a separate organisation for the first-level screening.

Sebi last year hiked the fee for registration to \$10,000 from \$5,000. The validity period for registration, too, was increased from 5 years.

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