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SEBI Eases KYC Review Cycle for FPIs: Fewer Check-Ins, Less Paperwork

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On 30 October 2026, the Securities and Exchange Board of India (SEBI) issued a circular (the Circular) which rationalises the periodic KYC requirements for foreign portfolio investors (FPIs). The Circular will come into force on 1 December 2026.

Key Changes

1. Longer KYC Review Cycles

Until now, FPIs were required to undergo KYC review either annually or every 3 years, depending on their jurisdiction, category and regulated status. The Circular revises these cycles as follows:

Jurisdiction	FPI Category - I	FPI Category - II
High-risk	Government and Government-related investors: Every 8 years	Every 2 years
Non-high-risk	Every 8 years	Regulated entities: every 8 years; Others: every 2 years

FPIs that invest only in government securities (GS-FPIs) will continue to follow their existing KYC review periodicity, as prescribed by the Reserve Bank of India for the respective bank accounts. Further, the KYC review period for SWAGAT-FI FPIs remains unchanged at 10 years.

2. No More No-Change Declaration at Continuance

FPIs (other than GS-FPIs) were previously required to either intimate changes in previously furnished information or submit a no-change declaration when continuing their registration. The Circular has removed these requirements at the time of continuance. FPIs are now required to pay the continuance fee to their designated depository participant (DDP) at least 15 days prior to the expiry of their current registration validity.

Implications

The Circular reduces the frequency of KYC reviews for most FPIs and removes the requirement to intimate changes or submit a no-change declaration at the time of continuance. The changes are likely to reduce documentation requirements for FPIs, their investment managers, DDPs and custodians. Depositories, custodians and DDPs will be required to update their systems and processes before the Circular comes into force on 1 December 2026.

- *Shikhar Kacker (Partner) and Parv Pancholi (Associate)*



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