

SEBI introduces SWAGAT-FI Framework for FVCIs and FPIs

SEBI has introduced the “Single Window Automatic and Generalised Access for Trusted Foreign Investor” (SWAGAT-FI) framework for Foreign Portfolio Investors (“FPI”) and Foreign Venture Capital Investors (“FVCI”). For this purpose, SEBI amended the SEBI (Foreign Portfolio Investors) Regulations, 2019 (“FPI Regulations”) vide the SEBI (Foreign Portfolio Investors) (Second Amendment) Regulations, 2025 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 (“FVCI Regulations”) vide the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2025

The SWAGAT-FI framework is a fast-track, low-friction onboarding and monitoring regime for “trusted” foreign investors, who have strong regulatory and AML/CFT oversight in their home jurisdictions. Government and Government related investors and public retail funds such as sovereign wealth funds, central banks, multilateral bodies, government-owned funds, regulated public retail funds, insurance companies, and pension funds would be eligible to be under the SWAGAT-FI framework.

The benefits, exemptions and relaxations made available to investors falling under the SWAGAT-FI framework are as follows:

Benefits under the FVCI Regulations

- The provisions relating to the procedure for making an application for grant of certificate of registration shall not apply in the case of investors categorised as SWAGAT-FI.
- The minimum investment requirement of 66.67% in unlisted equity shares or equity-linked instruments of venture capital undertakings and the 33.33% cap for other permitted investments such as subscription to initial public offer, debt or debt instrument, preferential allotment of equity shares, will not apply for FVCIs classified as SWAGAT-FI.
- The Second Schedule to the FVCI Regulations has been amended to align the registration validity and fee-payment structure for SWAGAT-FI with the amended FPI Regulations. Under the amended framework for FVCIs, SWAGAT-FI investors are required to pay the registration fee and its applicable renewal fee in blocks of ten years to maintain continuity of registration, subject to the conditions prescribed. FVCIs who are not eligible to be SWAGAT-FI have to pay the renewal fee every block of three (3) years.

Benefits under the FPI Regulations

- Any FPI License holder who is eligible to fall under the SWAGAT-FI framework can have up to 100% of their corpus contributed by Non-Resident Indians, Overseas Citizens of India, and resident Indian individuals, as opposed to the standard 50% limit applicable to all other FPIs, other than FPIs set up in an IFSC, who are also allowed to have 100% of their corpus contributed by NRIs, OCI, and resident Indian individuals.

- Regulation 7 of the FPI Regulations requires all FPIs to pay the prescribed registration fee once every three years. However, FPIs that are eligible under the SWAGAT-FI framework are required to pay the registration fee only once every ten years.

ELP Comments

- The SWAGAT-FI framework reduces procedural barriers and enhanced investment flexibility for sophisticated foreign investors seeking exposure to India's venture capital and private markets, without put the system at risk.
- The existing procedure for getting a certificate of registration as an FVCI no longer applies in the case of investors categorised as SWAGAT-FI, however SEBI has not yet issued the detailed alternative procedure.

The SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2025 can be found here: https://www.sebi.gov.in/legal/regulations/dec-2025/securities-and-exchange-board-of-india-foreign-venture-capital-investors-amendment-regulations-2025_98146.html

The SEBI (Foreign Portfolio Investors) (Second Amendment) Regulations, 2025 can be found here: https://www.sebi.gov.in/legal/regulations/dec-2025/securities-and-exchange-board-of-india-foreign-portfolio-investors-second-amendment-regulations-2025_98144.html

We hope you have found this information useful. For any queries/clarifications please write to us at insights@elp-in.com or write to our authors:

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