

Government working on having common KYC norms for FIIs: Finance Minister

To attract more overseas investment into the country, government is working on bringing new norms for a common KYC for foreign institutional investors, Finance Minister P Chidambaram said on Monday.

"Government is working on converging all KYC (Know Your Customer) norms and they (FIIs) will have common KYCs... Government will soon come out with a new set of norms that will have a common KYC across various regulators, be it pension, banking, stocks or insurance. There should be one KYC," he told the Rajya Sabha.

He said if a new FII applies in India, it has to go through due diligence and once registered it has to go through KYC norms.

At present there are 1,756 FIIs registered in the country, he said, adding that it takes a maximum of three weeks for an FII to register with SEBI.

The Finance Minister was replying to members' queries when the Securities and Exchange Board of India (Amendment) Bill, 2013, was taken up for consideration and passage in the House.

The Bill, which sought appointment of a retired High Court judge having held the position for seven years for heading the Securities Appellate Tribunal (SAT), was passed by voice vote.

As per existing provisions, only a serving or retired Supreme Court judge or Chief Justice of a High Court can head the Tribunal, but government was finding it difficult to fill the slot.

Noting that the cumulative investment graph of FIIs in India is rising, Chidambaram said, "During the year 2012, there has been an investment of 31 billion US Dollars by FIIs in India. During the current year from January 1 till date, there has been an investment of \$ 10 billion by FIIs."

The Finance Minister said stock markets have risen by 25 per cent and have given a good return, and hoped more foreign investment coming in the stock markets will give further returns to investors.

(Economic Times)