

SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

IN RESPECT OF

**CITICORP INVESTMENT BANK (SINGAPORE) LIMITED – ODI (PAN:
AAACC5806F)**

1. CitiCorp Investment Bank (Singapore) Limited – ODI (hereinafter referred to as “**Applicant**”) filed a *suo motu* settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”) proposing to settle, by neither admitting nor denying the findings of fact and conclusions of law, the enforcement proceedings that may be initiated against it for the alleged violation of:
 - i. Regulation 21(1)(c) of the SEBI (Foreign Portfolio Investors) Regulation, 2019 (hereinafter referred to as “**FPI Regulations**”) read with paragraph 2 of Part D of Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors dated May 30, 2024 (hereinafter referred to as “**Master Circular**”).
 - ii. Regulation 21(4) of the FPI Regulations read with Clause 1 of Part C of the II Schedule of the FPI Regulations.
 - iii. Paragraph 3(iii) of Part D of the Master Circular.
2. Brief facts of the case are as follows:
 - 2.1 The Applicant issued an Offshore Derivative Instrument (hereinafter referred to as “**ODI**”) to Symmetry Master Fund Limited (hereinafter referred to as “**SMFL**”) on December 19, 2023 without complying with the ‘Know your client’ (hereinafter referred to as “**KYC**”) norms as required under the Regulation 21(1)(c) of the FPI Regulations. By issuing ODI to SMFL without completing fresh KYC checks, the Applicant has violated provisions of Regulation 21(1)(c) of the FPI Regulations read with Paragraph 2 of Part D of the Master Circular.

- 2.2 In its application, the Applicant mentioned that the onboarding and KYC checks with respect to the ODI subscriber i.e. SMFL was completed on January 10, 2024.
- 2.3 There was also a delay on the part of the Applicant in depositing the regulatory fee collected from the subscriber of the ODI. The regulatory fee of USD 800 corresponding to the ODI issued to SMFL on December 19, 2023 should have been deposited immediately with SEBI by the Applicant. Instead, it was deposited with SEBI on February 26, 2024 i.e. with a delay of 69 days. Accordingly, the Applicant violated Regulation 21(4) of the FPI Regulations read with Clause 1 of Part C of the II Schedule of the FPI Regulations.
- 2.4 Since the Applicant issued the ODI without completing KYC checks, the Applicant was alleged to have failed to put in place necessary systems, controls and procedures with respect to the issuance of ODIs and KYC requirements and thus violated Paragraph 3(iii) of Part D of the Master Circular.
3. The Applicant filed the present application for the purpose of settling the proceedings that may be initiated against it for the aforesaid violations.
4. Pursuant to the receipt of the application, the Internal Committee of SEBI held a meeting with the authorized representatives of the Applicant on October 15, 2024, wherein the issues detailed above were deliberated along with the terms of the settlement. Further, the IC advised the Applicant to submit an undertaking with regard to the remedial and preventive steps taken by it with regard to violation pertaining to failure by the Applicant to put in place necessary systems, control and procedure with respect to the ODIs. Thereafter, vide email dated October 29, 2024, the Applicant proposed revised settlement terms of ₹36,00,000/- (Rupees Thirty six lakhs only) to settle any enforcement proceedings that may be initiated against them for the violations as stated above at paragraphs 1 and 2 and submitted the aforesaid undertaking.

5. The High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) in its meeting held on November 18, 2024, considered the revised settlement terms proposed by the Applicant and recommended that the matter may be settled upon payment of ₹36,00,000/- (Rupees Thirty Lakhs Only) by the Applicant as settlement amount towards the settlement terms.
6. The recommendation of the HPAC was accepted by the Panel of Whole Time Members of SEBI on January 27, 2025. Subsequently, a Notice of Demand was issued to the Applicant on January 28, 2025. The Applicant informed about the remittance of the aforesaid settlement amount on February 12, 2025 and SEBI confirmed credit of the same.
7. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulation 23 of the Settlement Regulations, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned at paragraph 1 above, are settled in respect of the Applicant on the following terms:
 - i. SEBI shall not initiate any enforcement action against the Applicant for the said violations, and
 - ii. passing of this Order is without prejudice to the right of SEBI under Regulation 28 and Regulation 31 of the Settlement Regulations to initiate appropriate action against the Applicant, if SEBI finds that:
 - (a) any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue;
 - (b) the Applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - (c) there was a discrepancy while arriving at the settlement terms.
8. This Settlement Order is passed on this 5th day of March, 2025 and shall come into force with immediate effect.

9. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicant and shall also be published on the website of SEBI.

AMARJEET SINGH
WHOLE TIME MEMBER

KAMLESH C. VARSHNEY
WHOLE TIME MEMBER