

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On the Application No. 3092 of 2016

Submitted by **Fidelity Funds – Institutional Hong Kong Opportunities Pool**

(PAN: **AABCF1923B**)

1. Fidelity Funds – Institutional Hong Kong Opportunities Pool (hereinafter referred to as ‘the applicant’) having its address at “2a rue Albert Borschette, BP2174, L-1021, Luxemburg”, vide its letter dated April 13, 2016 filed a *Suo Moto* application in terms of the SEBI (Settlement of Civil and Administrative Proceedings) Regulations, 2014 (hereinafter referred to as ‘**Settlement Regulations**’) proposing to settle, through a settlement order, the possible proceedings for the violations of the then applicable Regulations 10(c) and 13(1)(a)(i) of SEBI (Foreign Institutional Investors) Regulations, 1995 (since repealed) (hereinafter referred to as “**FII Regulations**”) and corresponding Regulations 5(b) and 23(1)(c) of SEBI (Foreign Portfolio Investors) Regulations, 2014 (hereinafter referred to as “**FPI Regulations**”) for a period from June 01, 2013 to April 13, 2016 with respect to the non-fulfilment of broad based fund criteria and delayed disclosure regarding intimation of material changes to SEBI. It is also noted that the applicant had not traded during the non-eligibility period i.e. from June 01, 2013 to April 13, 2016.
2. The representatives of the applicant had a meeting with the Internal Committee of SEBI on June 30, 2016, wherein the settlement terms proposed by the applicant was deliberated. Thereafter, the applicant vide its letter dated July 12, 2016 proposed the revised settlement terms to settle the defaults mentioned in para 1 above.
3. The High Powered Advisory Committee (hereinafter referred to as ‘**HPAC**’), considered the settlement terms proposed by the applicant in its meeting held on August 03, 2016 and recommended the case for settlement upon payment of ₹ 9,75,000/- (Rupees Nine Lakh Seventy Five Thousand only) by the applicant towards settlement terms for the aforementioned default. The Panel of Whole Time Members of SEBI had accepted the

said recommendation of the HPAC and the same was communicated to the applicant vide letter dated October 21, 2016.

4. Accordingly, the applicant vide Demand Draft no. 720996 dated November 02, 2016, drawn on HDFC Bank, payable at Mumbai has remitted a sum of ₹ 9,75,000/- (Rupees Nine Lakh Seventy Five Thousand only) towards the settlement charges.
5. In view of the same, the violations of Regulations 10(c) and 13(1)(a)(i) of FII Regulations and corresponding Regulations 5(b) and 23(1)(c) of FPI Regulations as discussed above, are settled *qua* the applicant as per the above terms by way of this order and SEBI shall not initiate any enforcement action against the applicant for the said default.
6. In view of the above, in terms of regulation 15(1) and regulation 19 of the Settlement Regulations, it is hereby ordered that:
 - i. this order disposes of the possible proceedings in respect of the applicant for violations mentioned above and;
 - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing the possible proceedings against the applicant, if SEBI finds that:
 - a. any representations made by the applicant in these settlement proceedings are subsequently discovered to be untrue;
 - b. the applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the current settlement proceedings.
7. This settlement order passed on this 5th day of January, 2017 shall come into force with immediate effect.
8. In terms of Regulation 17 of the Settlement Regulations, a copy each of this order shall be sent to the applicant and shall also be published on the website of SEBI.

S. RAMAN
WHOLE TIME MEMBER

G. MAHALINGAM
WHOLE TIME MEMBER