

(tariff) rate of customs duty on gold. Thus, as per the definition of revenue forgone which is “the difference between the duty that would have been payable but for the exemption notification and the actual duty paid in terms of the said notification”, there is no revenue forgone in respect of standard gold w.e.f. 13.08.2013.

(c) The Ministry of Finance has not made any assessment of the returns to the economy due to such revenue forgone since these concessions/exemptions are given in public interest for fulfilment of various policy objectives including protection to small-scale sector, promotion of industrial development of backward areas, encouragement of domestic value addition, regulation of prices of essential commodities, implementation of international treaty obligations and promotion of exports, etc.

Monitoring of investments through PNs

999. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that huge investments are flowing into the country through Participatory Notes (PNs) during the current year;

(b) if so, the details thereof;

(c) whether Government is properly monitoring such investments through SEBI and other financial investigation authorities for safeguarding the country's financial system; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) Yes, Sir.

(b) The details of month-wise Notional Value of outstanding PNs on Equity & Debt and Derivatives for the current year is as under:

As on the last day of the Month	Notional Value of outstanding PNs on Equity & Debt and Derivatives * (in ₹ crore)
1	2
January -14	163,348
February -14	172,738
March-14	207,639

1	2
April- 14	187,486
May-14	211,740
June-14	224,248
July-14	208,284
August-14	211,499
September -14	222,394
October-14	265,675

* Figures compiled based on reports submitted by FPIs issuing PNs.

(c) Yes, Sir.

(d) In terms of Regulation 22 of the SEBI (Foreign Portfolio Investors) Regulations 2014, FIIs/FPIs issuing PNs are required to report to SEBI on a monthly basis, the following information:

- The name and jurisdiction of the end beneficial owner of PNs.
- Location of end beneficial owner of PNs.
- Type of the end beneficial owner of PNs (*e.g.* hedge fund, corporate, pension fund, trust etc).
- The transactions of PNs issuers that are hedged and referenced in India.
- The underlying trades that occur in the Indian securities market on the basis of the PNs.

Further, the FIIs/FPIs are also required to provide an undertaking that they have not issued/ subscribed/ purchased PNs directly to/ from Non-Resident Indians/Indian Residents and KYC compliance norms have been followed for the beneficial owner of the PNs.

In addition, in terms of regulation 22(3) of the SEBI (Foreign Portfolio Investors) Regulations, 2014, Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.