P-Note Surge in Indian Markets

In **November 2023**, there was an increase in participatory note **investments,** reaching a total of ₹1.31 lakh crore.

- **Participatory Notes (P-Notes)** are financial instruments used by foreign investors who wish to invest in Indian markets **without directly registering with the market regulator, the** Securities and Exchange Board of India (SEBI).
    - They are issued by **registered** foreign institutional investors (FIIs) or their sub-accounts against underlying Indian securities.
- While P-Notes offer flexibility and ease of investment, they have been a **subject of regulatory scrutiny** due to concerns about their potential use in money laundering, round-tripping, and lack of transparency.

Read more: Participatory Notes