



Consultation Paper on Master Circulars for Capital Market Intermediaries in the IFSC

A. Objective

1. The objective of this consultation paper is to seek comments and suggestions from the public and stakeholders on the proposed master circulars for the following categories of capital market intermediaries in the IFSC:
 - a) Credit Rating Agencies
 - b) Debenture Trustees
 - c) Distributors
 - d) ESG Ratings and Data Products Providers
 - e) Investment Advisers
 - f) Investment Bankers and
 - g) Research Entities.

B. Background

2. Recently, International Financial Services Centres Authority (IFSCA) had notified the IFSCA (Capital Market Intermediaries) Regulations, 2025 ("CMI Regulations") on April 11, 2025.
3. Regulations 45 of the CMI Regulations empowers IFSCA to specify procedures, norms, processes, additional requirements and issue clarifications for the purposes of implementation of these regulations and matters incidental thereto, by way of circulars or guidelines or directions.
4. The master circular provides a one-stop reference for all circulars and guidelines for the regulated entities promoting ease of doing business.
5. The master circulars provide clarity on various operational aspects *inter-alia* such as registration process, validity of registration, permissible activities, governance, code of conduct, KYC, AML and CFT guidelines, outsourcing, complaint handling, change in control, periodic reporting, cyber security and cyber resilience and surrender of registration.
6. The draft master circulars are placed as per below mentioned Annexures:

Sr. No.	Capital Market Intermediary	Corresponding Annexure
1	Credit Rating Agencies	Annexure A

2	Debenture Trustees	Annexure B
3	Distributors	Annexure C
4	ESG Ratings and Data Products Providers	Annexure D
5	Investment Advisers	Annexure E
6	Investment Bankers	Annexure F
7	Research Entities	Annexure G

C. Background

7. In view of the above, comments and suggestions from public are invited on the proposed master circulars. The comments may be sent by email to consultation-cfd@ifsc.gov.in with a copy to Shri Arjun Prasad, General Manager at arjun.pd@ifsc.gov.in with subject line “**Comments on Master Circulars for Capital Market Intermediaries in the IFSC**” latest by **July 21, 2025**.

The comments should be provided in the following format:

Name and Designation				
Contact No. and Email Address				
Name of Organisation				
S. No.	Clause No.	Text of the Clause	Comments/ Suggestions/ Suggested Modifications	Detailed Rationale

July 11, 2025
Gandhinagar

Annexure – A



MASTER CIRCULAR

e.File No....

July __, 2025

To,

**All Credit Rating Agencies in the International Financial Services Centre (IFSC)
All Recognised Stock Exchanges in the IFSC**

Madam/Sir,

Sub: Master Circular for Credit Rating Agencies

1. The IFSCA has notified International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025 ("CMI Regulations") with the objective of providing the regulatory framework for registration, regulation and supervision of capital market intermediaries, operating in the international financial services centres in India. In order to enable the stakeholders to have access to various requirements including instructions or directions issued under CMI Regulations at one place, this Master Circular in respect of Investment Banker has been prepared.
2. With the issuance of this Master Circular, the Master Circular titled "*Master Circular for Credit Rating Agencies*" dated October 01, 2024 shall stand superseded.
3. Notwithstanding such supersession,
 - a) anything done or any action taken or purported to have been done or taken under the superseded Master Circular, prior to such supersession, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular;
 - b) any application made to the Authority under the superseded Master Circular, prior to such supersession, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular;

4. This Master Circular is being issued in exercise of powers conferred by Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019 read with regulation 45 of the CMI Regulations and shall come into force from the date of its issuance.

A copy of this circular is available on the website of the International Financial Services Centres Authority at www.ifsc.gov.in.

Yours faithfully,

Arjun Prasad
General Manager
arjun.pd@ifsc.gov.in

Master Circular for Credit Rating Agencies

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CHAPTER - I: REGISTRATION PROCESS

1. Application through SWIT System

- 1.1 The Hon'ble Finance Minister, in the Union Budget for FY 2023-24 announced - *"Implementation of a single window IT-enabled system for application processing of entities desirous of setting up operations in GIFT IFSC to improve the Ease of Doing Business (EoDB)."*
- 1.2 Towards this end, IFSCA has operationalised a Single Window IT System (SWIT System/ SWITS), which, inter-alia, contains a Common Application Form (CAF), created by merging several existing forms including business-specific Annexure Forms. The SWITS aims to harmonise and simplify the process of submission of application under the Acts specified under the First Schedule of the IFSCA Act, 2019, including any regulations or framework issued thereunder, in addition to the Special Economic Zones (SEZ) Act, 2005. The Application Form (Form-FA) for seeking Letter of Approval (LoA) from the Administrator (IFSCA) under the SEZ Act, 2005 is also the part of the SWITS and is integrated with the SEZ Online System.
- 1.3 Apart from this, the SWITS also integrates within itself a No objection Certificate (NoC) processing module that will ease the process of obtaining NoCs, wherever necessary, from the appropriate regulators viz. RBI, SEBI and IRDAI. In addition, SWITS also provides the facility for an entity to apply for Goods and Services Tax Number (GSTN), thereby simplifying the tax registration for businesses. Further, SWITS also enables the online payment of fees in USD for entities desirous of setting up operations in IFSC.
- 1.4 The link for accessing the SWITS platform is <https://swit.ifsc.gov.in>.
- 1.5 An entity desirous of seeking registration as a Credit Rating Agency with the Authority shall submit/file its applications exclusively through SWITS¹ for seeking-
 - 1.5.1 Registration as a Credit Rating Agency under the provisions of the CMI Regulations
 - 1.5.2 Approvals from SEZ Authorities and registration from GSTN; and
 - 1.5.3 NoC/requisite approval from appropriate regulators.
- 1.6 For more details, please refer to the circular titled "[*Single Window IT System inter-alia for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI*](#)" issued by IFSCA on September 30, 2024 in this regard.

2. Payment of Fees

- 2.1 An applicant seeking registration as a Credit Rating Agency shall pay the application fee, as specified in Schedule-I of the circular titled "[*Fee structure for the entities*](#)

¹ Regulation 5 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

[undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#) (“IFSCA Fee Circular”) dated April 08, 2025, read with circular titled “[Clarifications on the Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#)” dated April 23, 2025 at the time of making an application to the Authority. If an application is not accompanied by the mandated application fee, such an application shall not be considered by the Authority.

- 2.2 On intimation of the decision by the Authority to grant in-principle approval, the applicant shall, within 15 days of such an intimation, pay the applicable registration fees as specified in Schedule-I of the IFSCA Fee Circular.
- 2.3 In those cases where the applicant fails to pay the requisite registration fees within the specified time, it shall be presumed that the applicant does not wish to continue the process. In such a case, the Authority may at its discretion reject the application. An application once rejected, shall be treated as non-est. The rejection of the application, however, shall not render the entity ineligible for making a fresh application.
- 2.4 In case the Authority decides not to grant a registration or authorization to an applicant to whom a provisional / in-principle approval has been granted, the fees paid by the applicant towards obtaining licence, registration, recognition or authorization fee shall not be refunded.
- 2.5 The fees as specified in the Schedule-I of the IFSCA Fee Circular shall be paid to the following account of the Authority in USD:

Account Name: **International Financial Services Centres Authority**
Account Number: **970105000174**
Type of Account: **USD Current Account**
Bank Name: **ICICI Bank Limited**
SWIFT Code: **ICICINAAXXX**
NOSTRO Details: **CHASUS33XXX**
JP MORGAN CHASE BANK NA, NEWYORK, USA
Account no: 833999532

- 2.6 An applicant **from India (other than an entity already set up in GIFT-IFSC)** desirous of getting registration from the Authority shall have the option to pay **only the application fee and registration fee**, as specified in the Schedule-I of the IFSCA Fee Circular, in **INR** into the following account of the Authority:

Account Name: **IFSCA FUND 2**
Account Number: **39907189884**
Name of the Bank: **State Bank of India**
Type of Account: **INR Current Account**
IFSC Code: **SBIN0060228**

- 2.7 For the entities remitting the fees in INR, the RBI reference rate for USD-INR, for the date on which the remittance is being made, shall be applicable. The RBI reference rate is available at the URL:

<https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>

- 2.8 The applicable fee shall be paid in full, as indicated in this circular, net of any deductions or charges. All applicable charges towards remittance of the amount, shall be borne by the application / credit rating agency.
- 2.9 After the payment of the applicable fees, the applicant / credit rating agency shall submit the documentary evidence of such a payment to the Authority, along with the details of such a payment in the form and manner specified at Schedule-II of the IFSCA Fee Circular.
- 2.10 All dues or fees payable to the Authority shall be paid by the applicant / Credit Rating Agency either from the bank account of the entity or that of its KMPs. In case the payment has been made from the account of the KMPs, the same shall be informed to the Authority during submission of the documentary evidence. However, in case of an initial payment of application and registration fee, such amount can be paid either by the parent or the promoter of the applicant.
- 2.11 A credit rating agency registered with the Authority shall pay annual fee and other applicable fees in accordance with the IFSCA Fee Circular.

3. SEBI-registered Credit Rating Agencies

- 3.1 Securities and Exchange Board of India, vide circular dated July 19, 2024 on "[*Enabling Credit Rating Agencies to undertake rating activities under IFSCA*](#)", permitted credit rating agencies registered with SEBI to undertake rating activities in the IFSC in accordance with regulation 9(f) of the SEBI (Credit Rating Agencies) Regulations, 1999 ("SEBI CRA Regulations") and para 25 of the Master Circular for CRAs dated May 16, 2024. The Explanation provided under regulation 9(f) of the SEBI CRA Regulations provides that - "*...the ratings undertaken by a credit rating agency under the respective guidelines of a financial sector regulator or authority shall be under the purview of the respective financial sector regulator or authority*".
- 3.2 Accordingly, a credit rating agency registered with SEBI, desirous of providing rating services in the IFSC, shall apply for registration with IFSCA in accordance with the requirements provided under the CMI Regulations. The activities of the CRAs operating in the IFSC shall be subject to the requirements in the IFSCA Act, 2019, CMI Regulations and other applicable regulations and circulars notified by IFSCA from time to time. The application shall be filed through the SWIT System.

CHAPTER - II: VALIDITY OF REGISTRATION

4. *Certificate of Registration*

- 4.1 The certificate of registration granted to a credit rating agency shall be perpetual unless it is suspended or cancelled by the Authority².
- 4.2 The CRA shall, at all times, ensure that it holds valid and subsisting³:
 - 4.2.1 Certificate of Registration issued by the Authority under the CMI Regulations; and
 - 4.2.2 Letter of Approval (LoA) under the Special Economic Zones Act, 2005.
- 4.3 It may also be noted that the expiry of the Letter of Approval (having validity of 1 year, if business not commenced; or 5 years, after commencement of business) or failure to renew it in a timely manner, may lead to appropriate enforcement action, including cancellation of the registration granted under the CMI Regulations.
- 4.4 The CRA shall ensure compliance with the Circular titled “[*Direction for all Regulated Entities*](#)” dated April 03, 2025 issued by the Authority.

² Regulation 13 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

³ IFSCA Circular No. IFSCA-LPRA/9/2024-Legal and Regulatory Affairs dated April 03, 2025.

CHAPTER - III: PERMISSIBLE ACTIVITIES

5. *Permissible Activities*

5.1 A Credit Rating Agency registered with the Authority (“the CRA”) under the CMI Regulations is permitted to carry out the following activities:

5.1.1 Credit Ratings

Explanation 1: Credit ratings can be of any financial product or financial instrument in the IFSC or any Foreign Jurisdiction⁴ based on global scale (foreign currency or local currency) ratings.

Explanation 2: Credit ratings shall include private ratings.

5.1.2 Sovereign Ratings

5.1.3 Valuation Services

5.1.4 Research

5.1.5 Rating Assessment / Evaluation Services

5.1.6 Monitoring Agency

5.2 A CRA registered with the Authority intending to provide services relating to ESG Ratings and Data Products Providers shall be required to obtain a separate registration as an ERDPP with the Authority under the CMI Regulations.

⁴ As defined in the CMI Regulations

CHAPTER - IV: GOVERNANCE⁵

6. Composition of Board of Directors

- 6.1 The composition of the Board of Directors of the CRA shall be as follows:
 - 6.1.1 The board shall have at least 1/3rd of total strength as independent directors.
 - 6.1.2 The board shall comprise of not less than 3 directors.
 - 6.1.3 The majority of members of the board of directors shall have sufficient expertise in financial services.

Provided that a CRA registered in the form of branch shall comply with the governance requirements specified by the home regulator.

7. Principal Officer

- 7.1 The CRA shall have a Principal Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.
- 7.2 The Principal Officer shall be responsible for overall activities of the CRA in the IFSC.
- 7.3 Where a CRA is also registered as an ESG Ratings and Data Products Providers with the Authority under the CMI Regulations, the entity may have the same person as principal officer for both the activities.

8. Compliance Officer

- 8.1 The CRA shall have a Compliance Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.
- 8.2 Where a CRA is also registered as an ESG Ratings and Data Products Providers with the Authority under the CMI Regulations, the entity may have the same person as compliance officer for both the activities.

⁵ Regulation 9 of the IFSCA (Capital Markets) Regulations, 2025.

CHAPTER – V: Code of Conduct

9. Code of Conduct

9.1 The CRA shall establish a board approved Code of Conduct based on Schedule II of the CMI Regulations and the IOSCO Report on [*Code of Conduct Fundamentals for Credit Rating Agencies*](#), March 2015.

9.2 The CRA shall ensure that the Code of Conduct is publicly and prominently disclosed on its website:

Explanation: For the purpose of this circular, the reference to “website” shall include the website of the CRA or any webpage of any group entity of the CRA having a dedicated webpage providing details of the services of the CRA in the IFSC.

9.3 The CRA shall monitor and review the compliance of the CRA with the provisions of the above mentioned Code of Conduct at least on an annual basis.

CHAPTER - VI: KYC AML & CFT GUIDELINES

10. KYC AML & CFT Guidelines

- 10.1 The CRA shall comply with the IFSCA (Anti Money Laundering, Counter Terrorist-Financing and Know Your Customer) Guidelines, 2022 (as amended) and such other guidelines issued by the Authority from time to time.
- 10.2 The CRA shall ensure that the registration on FIU-IND FINGate 2.0 portal ('FIU-IND Portal') is completed prior to commencement of business and in case of an urgency to commence business, the registration shall be completed within 30 days from the date of commencement of business.
- 10.3 The CRA shall also ensure that any addition or modification to their Line of Business is updated on the FIU-IND portal within a period of thirty days from the date of commencement of such an additional Line of Business.
- 10.4 The CRA shall comply with the circular titled "[Registration on FIU-IND FINGate 2.0 portal for compliance with International Financial Services Centres Authority \(Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer\) Guidelines, 2022](#)" issued by the Authority on February 25, 2025 and such other guidelines issued by the Authority from time to time.

CHAPTER - VII: CREDIT RATING ACTIVITIES

11. Operations Manual

- 11.1 The CRA shall formulate an internal Operations Manual, which shall, *inter-alia*, cover operating guidelines, criteria, policies and procedures related to the rating process.

12. Rating Criteria

- 12.1 The CRA shall frame detailed criteria for ratings and the same shall be included in its Internal Operations Manual.
- 12.2 The CRA shall ensure that the rating criteria are disclosed on its website. The rating rationale shall have references to the specific criteria applied for the ratings.

13. Rating Process

13.1 Solicited Ratings

- 13.1.1 For all solicited ratings, the CRA shall enter into a written agreement with each client whose securities or other permitted financial products it proposes to rate, and every such agreement shall include the right and liabilities of each party and fee to be charged by such credit rating agency.
- 13.1.2 The CRA shall, in all cases, follow a proper rating process which shall also be disclosed on its website. The CRA shall ensure that the rating methodologies are rigorous, capable of being applied consistently, and, where possible, result in credit ratings that can be subjected to some form of objective validation based on historical experience.
- 13.1.3 The CRA shall disclose its rating methodology to clients, users and the public.
- 13.1.4 Where a rating methodology is changed, the CRA shall:
- 13.1.4.1 immediately publish on its website the revised rating methodology with a detailed explanation thereof and the date of application;
- 13.1.4.2 review the affected credit ratings as soon as possible and no later than six months based on the revised methodology.
- 13.1.5 The CRA shall, while assigning a rating, exercise due diligence to ensure that the rating given by the credit rating agency is fair and appropriate.

- 13.1.6 The CRA shall ensure that the credit ratings are based on a fair and thorough analysis of all the information that is available to it and that is relevant to its analysis according to the applicable rating methodologies.
- 13.1.7 The CRA shall seek the necessary information and documents from the issuers required to carry out the rating exercise.
- 13.1.8 The CRA shall inform to the client the rating assigned to the securities or other permitted financial products.
- 13.1.9 All the rating actions taken by the CRA should be published on its website along with the rationale for rating action. If the rated instruments are listed on a recognised stock exchange in the IFSC, the CRA shall also notify the exchange(s) of the rating action.
- 13.1.10 The CRA shall maintain information and records supporting each credit rating and review in electronic retrieval form for a period (as mentioned in the CMI Regulations) from the date rating is withdrawn or discontinued, including the following information/ records:
 - 13.1.10.1 The important factors underlying the credit rating;
 - 13.1.10.2 Decisions and minutes of the rating committee.

13.2 Unsolicited Ratings

- 13.2.1 The CRA shall publicly disclose its policies and procedures regarding unsolicited credit ratings.
- 13.2.2 Where a CRA issues an unsolicited credit rating of an issuer, the CRA shall prominently disclose “*UNSOLICITED*” in the credit rating. Further, the rating rationale shall include the extent of participation of the issuer and whether the CRA had access to the accounts and other relevant internal documents of the issuer or any related party of the issuer.

14. Sovereign Ratings

- 14.1 The CRA shall publicly disclose its methodology for sovereign ratings.
- 14.2 The CRA shall review sovereign ratings at least on an annual basis.

15. Rating Scales

- 15.1 The CRA registered with Authority shall use global scale to issue ratings. It shall also publicly disclose clear definitions of its global rating scales, including definition of default. Additionally, the CRA must clarify and state that these ratings are not recommendations to buy, hold or sell any securities /instruments /facilities.

16. Monitoring and Review of Ratings

16.1 The CRA shall ensure that adequate employees and financial resources are allocated for monitoring and reviewing all its credit ratings. Except for a credit rating that clearly indicates it does not entail ongoing surveillance, once a credit rating is published, the CRA should monitor the credit rating on an ongoing basis by:

16.1.1 reviewing the creditworthiness of the rated entity or obligation regularly;

16.1.2 initiating a review of the status of the credit rating upon becoming aware of any information that might reasonably be expected to result in a credit rating action, consistent with the applicable credit rating methodology; and

16.1.3 reviewing the impact of and applying a change in the credit rating methodology on the relevant credit ratings within a reasonable period of time no later than six months after change in methodology.

16.2 If a CRA discontinues monitoring a credit rating for a rated entity or obligation, it should either withdraw the credit rating or disclose such discontinuation.

17. Dissemination of Ratings

17.1 All the rating actions on initial credit ratings assignments, once accepted by issuer, shall be disseminated by the CRA on its website along with the rating rationale. All subsequent rating actions on accepted ratings shall be disseminated by CRA on its website along with the rating rationale.

Provided that the said requirement relating to dissemination of ratings shall not be mandatory for unsolicited ratings and private credit rating assignments.

17.2 Where the rated instruments are listed on a recognised stock exchange in the IFSC, the CRA shall disclose the ratings to the stock exchange(s) in accordance with the requirements specified under regulation 28(6) of the CMI Regulations.

18. Withdrawal of rating

18.1 The CRA shall continuously monitor the rating of securities or other permitted financial products and carry out periodic reviews of the rating, unless the rating is withdrawn.

18.2 The CRA shall generally not withdraw a rating so long as the obligations under the security /instrument/ facility rated by it are outstanding. Withdrawal of rating may however be permitted in the following situations:

18.2.1 Where the entity whose security/instrument/facility is rated is wound up or merged or amalgamated with another entity;

18.2.2 In case of non-cooperation from the issuers, or non-payment of agreed fee;

18.2.3 At the request of an issuer, but under no circumstances shall an issuer's request to withdraw a rating avoid an imminent rating change;or

18.2.4 Where such credit rating agency is constrained from providing service due to events beyond its control.

18.3 The reason for withdrawal of rating shall be mentioned in the press release issued by the CRA withdrawing such rating.

18.4 The CRA shall establish a policy on withdrawal of ratings and the same shall be prominently disclosed on its website.

19. Rating Committee

19.1 The CRA shall have professional rating committee, comprising members who are adequately qualified and knowledgeable to assign/review a rating.

19.2 All rating decisions, including the decisions regarding changes in rating, shall be taken by the rating committee.

20. Request by Issuers for review/appeal of ratings provided by CRAs

20.1 The CRA shall provide a reasonable opportunity to its clients for review/appeal against the rating(s) assigned/reviewed.

21. Rating Analysts

21.1 The CRA shall assign analysts who have appropriate knowledge and experience for assessing the creditworthiness of the type of entity or obligation being rated.

21.2 The CRA shall ensure that the roles and responsibilities of the rating analysts are clearly laid out in the CRA's Internal Operations Manual.

21.3 The CRA shall ensure that the Internal Operations Manual provide that the analysts involved in the credit rating action, while assessing creditworthiness, should use the credit rating methodology established by the CRA for the type of entity or obligation that is subject to the credit rating action.

21.4 The CRA shall ensure that the rating analysts are not allowed to initiate or participate in negotiations regarding fees or payments with any rated entity or its related entity.

22. Confidentiality

22.1 The CRA shall establish, maintain, document, and enforce policies, procedures, and controls to protect confidential and/or material non-public information, including confidential information received from a rated entity, obligor, or originator, or the

underwriter or arranger of a rated obligation, and non-public information about a credit rating action. Such confidential information shall not be disclosed to any third party except where such disclosure is required or permitted by applicable law, or where CRA has obtained the written consent from information provider.

23. Independence and Avoidance of Conflicts of Interest

- 23.1. The CRA shall not delay or refrain from taking a credit rating action based on the potential effect (economic, political, or otherwise) of the action on the CRA, a rated entity, obligor, originator, underwriter, arranger, investor, or other market participant.
- 23.2. The CRA and its employees shall use care and professional judgment to maintain both the substance and appearance of the CRA's and its employees' independence and objectivity.
- 23.3. The CRA's determination of a credit rating should be influenced only by factors relevant to assessing the creditworthiness of the rated entity or obligation. The credit rating a CRA assigns to an entity or obligation should not be affected by whether there is an existing or potential business relationship between the CRA (or its affiliates) and the rated entity, obligor, originator, underwriter, or arranger (or any of their affiliates), or any other party.
- 23.4. The CRA shall operationally, legally, and, if practicable, physically separate its credit rating business and its analysts from any other businesses of the CRA that may present a conflict of interest. For other businesses that do not necessarily present a conflict of interest, the CRA should establish, maintain, document, and enforce policies, procedures, and controls designed to minimize the likelihood that conflicts of interest will arise.
- 23.5. The CRA shall formulate policies and internal codes for dealing with conflicts of interest, including the following:
 - 23.5.1 rating analysts involved in the rating process should not participate in any kind of fee negotiations with clients of the CRA.
 - 23.5.2 compensation of rating analysts at CRA should not be influenced by the revenues generated from the clients they rate.
 - 23.5.3 the employees' involved in the rating process and their dependents do not have ownership of the shares of the issuer.
 - 23.5.4 prompt review of the ratings of the entities/securities as and when any of its employees involved in assigning ratings joins the respective issuer.
 - 23.5.5 it mitigates the potential conflict of interest while engaging into other business activities other than credit rating.

23.5.6 it shall not rate securities issued by it or its group companies.

24. Prohibition on Trading

24.1 The CRA shall have appropriate procedures and have internal control systems for –

24.1.1 monitoring the holding of securities by its employees in the securities of its clients in order to prevent insider trading.

24.1.2 preventing trading on the basis of unpublished price sensitive information obtained by them in the course of any professional assignment.

25. Periodic Disclosures

25.1 The CRA shall make the following disclosures on its website at the end of each financial year:

25.1.1 the list of defaults separately for each rating category

25.1.2 computation and disclosure of Default Rates

25.1.3 disclosure of Average Rating Transition Rates for long-term securities /Instruments /Facilities /Issuances:

Explanation: The disclosure of Average Rating Transition Rates shall be applicable after 5 years from the commencement of operations of the CRA.

26. Continuous Disclosures

26.1 The CRA shall promptly disseminate ratings and any change in ratings as required in the CMI Regulations and this circular.

26.2 The CRA shall ensure that the records of rating history and rating rationales including those ratings which have been withdrawn/discontinued, shall be disclosed on its website.

27. Guidelines/Policies

27.1 The CRA shall frame detailed guidelines on the following, include them in its Internal Operations Manual and disclose the same on its website:

27.1.1 Confidentiality policy;

27.1.2 Disclosures on managing Conflicts of interest;

27.1.3 Withdrawal policy; and

27.1.4 Gift policy

CHAPTER - VIII: VALUATION SERVICES

28. Valuation Services under IFSCA (Fund Management) Regulations, 2025

28.1 Reference is drawn to sub-regulation (2) of regulation 26, sub-regulation (2) of regulation 38 and sub-regulation (2) of regulation 50 of the IFSCA (Fund Management) Regulations, 2025. A Credit Rating Agency may undertake valuation of assets of the schemes as provided under the IFSCA (Fund Management) Regulations, 2025.

CHAPTER - IX: INTERNAL POLICY ON OUTSOURCING OF ACTIVITIES

29. Internal Policy on Outsourcing

- 29.1 In terms of Code of Conduct provided under Schedule II of the CMI Regulations, the CRAs are required to have an internal policy for outsourcing of its activities from outside of IFSC.
- 29.2 The CRA shall have an internal policy on outsourcing of activities prior to commencement of operations and the CRA shall ensure compliance with the policy at all times.

CHAPTER - X: COMPLAINT HANDLING AND GRIEVANCE REDRESSAL

30. Complaint Handling and Grievance Redressal

- 30.1 Regulation 18 of the CMI Regulations require that the capital market intermediaries in the IFSC shall take adequate steps for redress of grievances of the investors in accordance with the requirements as may be specified by the Authority.
- 30.2 The CRA shall comply with the applicable norms and requirements relating to handling of consumer complaints specified by the Authority by way of circular titled [Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC](#) dated December 02, 2024 read with circular titled "[Extension of timeline for implementation of the Circular titled "Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC" dated December 02, 2024](#)" issued on January 13, 2025.

CHAPTER - XI: CHANGE IN CONTROL

31. CRAs operating in the IFSC in Branch Structure

31.1 In terms of regulation 23(1) of the CMI Regulations, the CRA shall intimate the Authority, within fifteen days of any direct or indirect change in control of the intermediary.

32. CRAs incorporated in the IFSC

32.1 In terms of regulation 23(2) of the CMI Regulations, the CRA shall seek prior approval of the Authority, in case of any direct or indirect change in control of the entity.

33. Information to be submitted while seeking prior approval or submitting intimation regarding change in control

33.1 The CRA shall provide the following information while submitting application for seeking prior approval of IFSCA or submitting intimation to IFSCA regarding change in control:

33.1.1 Details of new shareholders / entities exercising control over the CRA along with number of shares, per cent. of shares etc.;

33.1.2 A declaration that the new shareholders/ entities exercising control are “fit and proper” in accordance with the criteria specified under regulation 8 of the CMI Regulations;

33.1.3 Details of any material regulatory action taken or pending against the CRA or any of its controlling shareholder or director by any financial sector regulator in the last three years.

33.1.4 A confirmation that all fees due to IFSCA as per the IFSCA Fee Circular has been paid

33.1.5 Number of investor complaints pending, if any, at the time of filing application/ intimation.

33.1.6 Details of ongoing material litigations, if any.

33.1.7 Copies of board resolution and shareholder resolution, as applicable, relating to change in control.

CHAPTER - XII: PERIODIC REPORTING

34. Quarterly Reporting

- 34.1 The CRA shall submit reports to the Authority on a quarterly basis in accordance with the requirements specified under the circular titled [Reporting Norms for Capital Market Intermediaries](#) dated February 08, 2024 (as amended from time to time).
- 34.2 The CRA shall furnish such information, documents, or records as may be specified by the Authority from time to time.

35. Annual Compliance Audit

- 35.1 In terms of regulation 25 of the CMI Regulations, the CRA shall have an annual audit conducted in respect of compliance with the CMI Regulations by a member of the Institute of Chartered Accountants of India or a member of the Institute of Company Secretaries of India or a member of the Institute of Cost Accountants of India or any person authorised to conduct audit in a Foreign Jurisdiction.
- 35.2 A copy of such compliance audit report for a financial year shall be furnished to the Authority by the 30th of September of such year.
- 35.3 The CRA shall have additional audits and submit such reports as may be specified by the Authority from time to time.

CHAPTER - XIII: CYBER SECURITY AND CYBER RESLIENCE

36. Cyber Security and Cyber Resilience

35.4 In terms of regulation 21 of the CMI Regulations, the CRA shall have robust cyber security and cyber resilience framework in accordance with the requirements as may be specified by the Authority.

35.5 The CRA shall comply with the guidelines specified under the circular titled [*Guidelines on Cyber Security and Cyber Resilience for Regulated Entities in IFSCs*](#) dated March 10, 2025. As mentioned in the said circular, the implementation of these Guidelines shall be undertaken in accordance with the principle of proportionality, after taking into due consideration:

35.5.1 the scale and complexity of operations;

35.5.2 the nature of the activity the entity is engaged in;

35.5.3 its interconnectedness with the financial ecosystem; and

35.5.4 the corresponding cyber risks the entity is exposed to.

CHAPTER - XIV: SURRENDER OF REGISTRATION

37. Surrender of Registration

37.1 In terms of regulation 14 of the CMI Regulations, a CRA may file an application with the Authority for surrender of its registration.

37.2 The CRA shall provide the following information while submitting application for surrender of registration:

37.2.1 Details of registration;

37.2.2 Original Certificate of Registration (if issued in physical form);

37.2.3 List of all activities that are being carried out by the entity;

37.2.4 Details of registration in any other capacity with IFSCA;

37.2.5 List of controlling shareholders and directors;

37.2.6 Details of any material regulatory action taken or pending against the CRA or any of its controlling shareholder or director by any financial sector regulator in the last three years;

37.2.7 Details of ongoing material litigations, if any;

37.2.8 Copies of board resolution and shareholder resolution, as applicable, relating to surrender of registration;

37.2.9 Reasons for surrender of registration; and

37.2.10 Undertaking as under:

Whether any disciplinary proceeding is pending against the Applicant	
Whether any investigation/adjudication/ enquiry by IFSCA is pending against the applicant or its controlling shareholders and directors	
Whether as on date of application all fees have been paid and also mention the date of next due date of payment of fee	
Whether any arrangements made by the applicant for maintenance and preservation of records and other documents required to be maintained under the relevant regulations /guidelines of IFSCA	
Whether any arrangements made to transfer its activities to another intermediary holding a valid certificate of	

registration to carry on such activity	
Whether there are any investor complaints pending against the applicant as on the date of application.	

Annexure – B



MASTER CIRCULAR

eFile No....

July____, 2025

To,

**All Debenture Trustees in the International Financial Services Centre (IFSC)
All recognised stock exchanges in the IFSC**

Madam/Sir,

Sub: Master Circular for Debenture Trustees

1. The IFSCA has notified International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025 ("CMI Regulations") with the objective of providing the regulatory framework for registration, regulation and supervision of capital market intermediaries operating in the international financial services centres in India.
2. The Authority hereby issues this Master Circular to specify the requirements or directions on various provisions pertaining to Debenture Trustees under the CMI Regulations.
3. This Master Circular is being issued in exercise of powers conferred by Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019 read with regulation 45 of the CMI Regulations.

A copy of this circular is available on the website of the International Financial Services Centres Authority at www.ifsc.gov.in.

Yours faithfully,

Arjun Prasad
General Manager
arjun.pd@ifsc.gov.in

Master Circular for Debenture Trustees

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CHAPTER - I: REGISTRATION PROCESS

1. Application through SWIT System

- 1.1 The Hon'ble Finance Minister, in the Union Budget for FY 2023-24 announced - *"Implementation of a single window IT-enabled system for application processing of entities desirous of setting up operations in GIFT IFSC to improve the Ease of Doing Business (EoDB)."*
- 1.2 Towards this end, IFSCA has operationalised a Single Window IT System (SWIT System/ SWITS), which, *inter-alia*, contains a Common Application Form (CAF), created by merging several existing forms including business-specific Annexure Forms. The SWITS aims to harmonise and simplify the process of submission of application under the Acts specified under the First Schedule of the IFSCA Act, 2019, including any regulations or framework issued thereunder, in addition to the Special Economic Zones (SEZ) Act, 2005. The Application Form (Form-FA) for seeking Letter of Approval (LoA) from the Administrator (IFSCA) under the SEZ Act, 2005 is also the part of the SWITS and is integrated with the SEZ Online System.
- 1.3 Apart from this, the SWITS also integrates within itself a No objection Certificate (NoC) processing module that will ease the process of obtaining NoCs, wherever necessary, from the appropriate regulators viz. RBI, SEBI and IRDAI. In addition, SWITS also provides the facility for an entity to apply for Goods and Services Tax Number (GSTN), thereby simplifying the tax registration for businesses. Further, SWITS also enables the online payment of fees in USD for entities desirous of setting up operations in IFSC.
- 1.4 The link for accessing the SWITS platform is <https://swit.ifsc.gov.in>.
- 1.5 An entity desirous of seeking registration as a Debenture Trustee with the Authority shall submit/file its applications exclusively through SWITS⁶ for seeking-
 - 1.5.1 Registration as a Debenture Trustee under the provisions of the CMI Regulations;
 - 1.5.2 Approvals from SEZ Authorities and registration from GSTN; and
 - 1.5.3 NoC/requisite approval from appropriate regulators.
- 1.6 For more details, please refer to the circular titled "[Single Window IT System inter-alia for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI](#)" issued by IFSCA on September 30, 2024 in this regard.

⁶ Regulation 5 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

2. Payment of Fees

- 2.1 An applicant desirous of seeking registration as a Debenture Trustee under the CMI Regulations shall pay the application fee, as specified in Schedule-I of the circular titled "[Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#)" ("IFSCA Fee Circular") dated April 08, 2025, read with circular titled "[Clarifications on the Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#)" dated April 23, 2025, at the time of making an application to the Authority. If an application is not accompanied by the mandated application fee, such an application shall not be considered by the Authority.
- 2.2 On intimation of the decision by the Authority to grant in-principle approval, the applicant shall, within 15 days of such an intimation, pay the applicable registration fees as specified in Schedule-I of the IFSCA Fee Circular.
- 2.3 In those cases where the applicant fails to pay the requisite registration fees within the specified time, it shall be presumed that the applicant does not wish to continue the process. In such a case, the Authority may at its discretion reject the application. An application once rejected, shall be treated as non-est. The rejection of the application, however, shall not render the entity ineligible for making a fresh application.
- 2.4 In case the Authority decides not to grant a registration to an applicant to whom a provisional / in-principle approval has been granted, the fees paid by the applicant towards obtaining licence, registration, recognition or authorization fee shall not be refunded.
- 2.5 The fees as specified in the Schedule-I of the IFSCA Fee Circular shall be paid to the following account of the Authority in USD:

Account Name: **International Financial Services Centres Authority**

Account Number: **970105000174**

Type of Account: **USD Current Account**

Bank Name: **ICICI Bank Limited**

SWIFT Code: **ICICINAAXXX**

NOSTRO Details: **CHASUS33XXX**

JP MORGAN CHASE BANK NA, NEWYORK, USA

Account no: 833999532

- 2.6 An applicant from India (other than an entity already set up in the IFSC) desirous of getting registration from the Authority shall have the option to pay **only the application fee and registration fee**, as specified in the Schedule-I of the IFSCA Fee Circular, in **INR** into the following account of the Authority:

Account Name: **IFSCA FUND 2**

Account Number: **39907189884**
Name of the Bank: **State Bank of India**
Type of Account: **INR Current Account**
IFSC Code: **SBIN0060228**

- 2.7 For the entities remitting the fees in INR, the RBI reference rate for USD-INR, for the date on which the remittance is being made, shall be applicable. The RBI reference rate is available at the URL:

<https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>

- 2.8 The applicable fee shall be paid in full, as indicated in the IFSCA Fee Circular, net of any deductions or charges. All applicable charges towards remittance of the amount, shall be borne by the applicant / Debenture Trustee.
- 2.9 After the payment of the applicable fees, the applicant / Debenture Trustee shall submit the documentary evidence of such a payment to the Authority, along with the details of such a payment in the form and manner specified at Schedule-II of the IFSCA Fee Circular.
- 2.10 All dues or fees payable to the Authority shall be paid by the applicant / Debenture Trustee either from the bank account of the entity or that of its KMPs. In case the payment has been made from the account of the KMPs, the same shall be informed to the Authority during submission of the documentary evidence. However, in case of an initial payment of application and registration fee, such amount can be paid either by the parent or the promoter of the applicant.
- 2.11 A Debenture Trustee registered with the Authority shall pay annual fee and other applicable fees in accordance with the IFSCA Fee Circular.

CHAPTER - II: VALIDITY OF REGISTRATION

3. Certificate of Registration

- 3.1 The certificate of registration granted to a Debenture Trustee shall be perpetual unless it is suspended or cancelled by the Authority⁷.
- 3.2 The Debenture Trustee shall, at all times, ensure that it holds valid and subsisting⁸:
- 4.1.1 Certificate of Registration issued by the Authority under the CMI Regulations; and
 - 4.1.2 Letter of Approval (LoA) under the Special Economic Zones Act, 2005.
- 3.3 It may also be noted that the expiry of the Letter of Approval (having validity of 1 year, if business not commenced; or 5 years, after commencement of business) or failure to renew it in a timely manner, may lead to appropriate enforcement action, including cancellation of the registration granted under the CMI Regulations.
- 3.4 The Debenture Trustee shall ensure compliance with the Circular titled “[Direction for all Regulated Entities](#)” dated April 03, 2025 issued by the Authority.

⁷ Regulation 13 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

⁸ Reference: IFSCA Circular No. IFSCA-LPRA/9/2024-Legal and Regulatory Affairs dated April 03, 2025.

CHAPTER - III: PERMISSIBLE ACTIVITIES

4. Permissible Activities

- 4.1 A Debenture Trustee registered with the Authority (“the Debenture Trustee”) is permitted to undertake the activities as a trustee appointed in respect of any issue of debentures issued or listed in the IFSC or a Foreign Jurisdiction⁹:

Explanation: The Debenture Trustee intending to undertake other activities relating to Trusteeship Services covered under the “*Framework for enabling Ancillary services at International Financial Services Centres*” shall be required to seek separate authorisation as Ancillary Service Provider in accordance with the said framework.

⁹ As defined in the CMI Regulations

CHAPTER - IV: GOVERNANCE¹⁰

5. Principal Officer

- 5.1 The Debenture Trustee shall have a Principal Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.
- 5.2 The Principal Officer shall be responsible for overall activities of the Debenture Trustee in the IFSC.
- 5.3 Where a debenture trustee is also registered as an ancillary service provider for providing Trusteeship Services with the Authority, the entity may have the same person as principal officer for both the activities.

6. Compliance Officer

- 6.1 The Debenture Trustee shall have a Compliance Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.
- 6.2 Where a Debenture Trustee is also registered as an ancillary service provider for providing Trusteeship Services with the Authority, the entity may have the same person as compliance officer for both the activities.

¹⁰ Regulation 9 of IFSCA (Capital Market Intermediaries) Regulations, 2025

CHAPTER - V: Code of Conduct

7. Code of Conduct

- 7.1 The Debenture Trustee shall abide by the Code of Conduct specified in Schedule II of the CMI Regulations.

CHAPTER - VI: KYC AML & CFT GUIDELINES

8. KYC AML & CFT Guidelines

- 8.1 The Debenture Trustee shall comply with the IFSCA (Anti Money Laundering, Counter Terrorist-Financing and Know Your Customer) Guidelines, 2022 (as amended) and circulars or directions issued thereunder by the Authority from time to time.
- 8.2 The Debenture Trustee shall ensure that the registration on FIU-IND FINGate 2.0 portal ('FIU-IND Portal') is completed prior to commencement of business and in case of an urgency to commence business, the registration shall be completed within 30 days from the date of commencement of business.
- 8.3 The Debenture Trustee shall also ensure that any addition or modification to their Line of Business is updated on the FIU-IND portal within a period of thirty days from the date of commencement of such an additional Line of Business.
- 8.4 The Debenture Trustee shall comply with the circular titled "[Registration on FIU-IND FINGate 2.0 portal for compliance with International Financial Services Centres Authority \(Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer\) Guidelines, 2022](#)" issued by the Authority on February 25, 2025 and such other guidelines issued by the Authority from time to time.

CHAPTER - VII: DUE DILIGENCE

9. Appointment of Debenture Trustee

- 9.1 The Debenture Trustee shall ensure compliance with regulation 30 of the CMI Regulations while being appointed as a Debenture Trustee in relation to an issue.

10. Due diligence in respect of Secured Debt Securities

- 10.1 The issuer, at the time of entering into Debenture Trustee agreement shall provide the necessary documents/ consents in order to enable the Debenture Trustee to exercise due diligence with respect to creation of security, including the following:

10.1.1 Details of assets on which charge is proposed to be created;

10.1.2 For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances;

10.1.3 For encumbered assets, on which charge is proposed to be created, the necessary consents from the existing charge holders;

10.1.4 Details of personal guarantee (if any);

10.1.5 Details of corporate guarantee (if any); and

10.1.6 Any other information, documents or records required by the Debenture Trustee with regard to creation of security and perfection of security.

- 10.2 Regulation 30(4) of the CMI Regulations *inter-alia* requires that, before creating a charge on the security for the debentures, the Debenture Trustee shall exercise independent due diligence to ensure that such security is free from any encumbrance or that it has obtained the necessary consent from other charge-holders if the security has an existing charge.

- 10.3 The Debenture Trustee, by itself or through professionals appointed and compensated/ remunerated by the Debenture Trustee viz., practicing chartered accountant, practicing company secretary, registered valuer, or legal counsel shall independently carry out due diligence.

11. Creation of charge of security by the Issuer¹¹

- 11.1 Before making the application for listing of debt securities, the issuer shall create charge as specified in the offer document/ placement memorandum, in favour of the Debenture Trustee and also execute a debenture trust deed with the Debenture Trustee.

¹¹ For the purpose of this circular, 'Issuer' shall mean an issuer with debt securities listed on a recognised stock exchange in the IFSC.

12.Periodical/ Continuous Monitoring

- 12.1 The Debenture Trustee shall undertake independent periodical assessment of compliance with covenants or terms of the issue of listed debt securities.
- 12.2 The Debenture Trustee shall carry out due diligence on a continuous basis.
- 12.3 The issuer shall furnish to the Debenture Trustee the compliance status with respect to financial covenants of the listed debt securities on a quarterly basis.
- 12.4 The Debenture Trustee shall ascertain the status of payment of interest/ repayment of principal by the issuer on due dates in timely manner.
- 12.5 The Debenture Trustee may share information regarding the issuer with the credit rating agencies. The purpose of the said requirement is to enable CRAs to perform their obligations effectively.
- 12.6 The Debenture Trustee shall have adequate systems to ascertain the status of payment of interest/ repayment of principal by the issuer on due dates in timely manner and efficiently share such information with the CRAs.

CHAPTER – VIII: DEALING WITH DEFAULTS

13. Dealing with Defaults

13.1 In case of defaults, the Debenture Trustee shall comply with the requirements specified in regulation 30(3) of the CMI Regulations, including the following:

13.1.1 The Debenture Trustee shall communicate to the debenture holder defaults, if any, in respect of the payment of interest or redemption of debentures and actions taken thereunder;

13.1.2 The Debenture Trustee shall inform the Authority immediately (within 24 hours) about such defaults;

13.1.3 The Debenture Trustee shall ensure that it appoints a nominee director on the board of the issuer in the event of two consecutive defaults in payment of interest or default in creation of security or default in redemption of debentures; and the issuer shall be obliged to provide all requisite support in this regard, if legally permissible;

13.1.4 The Debenture Trustee shall perform all acts necessary for the enforcement of the security and for protection of the interest of the debenture holders.

CHAPTER - IX: DEALING WITH CONFLICTS OF INTEREST

14. Dealing with Conflicts of Interest

- 14.1 In terms of regulation 30(2) of the CMI Regulations, a person shall not be appointed as a debenture trustee, in cases where the debenture trustee is an associate of the issuer or is likely to have conflict of interest in any manner.
- 14.2 Further, in terms of Code of Conduct provided under Schedule II of the CMI Regulations, the Debenture Trustee shall avoid conflict of interest and make adequate disclosure of its possible conflict of interest and duties and shall put in place a mechanism to resolve any conflict of interest situation.

CHAPTER - X: INTERNAL POLICY ON OUTSOURCING OF ACTIVITIES

15. Internal Policy on Outsourcing

- 15.1 In terms of Code of Conduct provided under Schedule II of the CMI Regulations, the Debenture Trustees are required to have an internal policy for outsourcing of its activities from outside of IFSC.
- 15.2 The Debenture Trustee shall have an internal policy on outsourcing of activities prior to commencement of operations and the Debenture Trustee shall ensure compliance with the policy at all times.

CHAPTER - XI: COMPLAINT HANDLING AND GRIEVANCE REDRESSAL

16. Complaint Handling and Grievance Redressal

- 16.1 Regulation 18 of the CMI Regulations require that the capital market intermediaries in the IFSC shall take adequate steps for redress of grievances of the investors in accordance with the requirements as may be specified by the Authority.
- 16.2 The Debenture Trustee shall comply with the applicable norms and requirements relating to handling of consumer complaints specified by the Authority by way of circular titled [Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC](#) dated December 02, 2024 read with circular titled [“Extension of timeline for implementation of the Circular titled “Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC” dated December 02, 2024”](#) issued on January 13, 2025.

CHAPTER - XII: CHANGE IN CONTROL

17. Debenture Trustees operating in the IFSC in Branch Structure

17.1 In terms of regulation 23(1) of the CMI Regulations, the Debenture Trustee shall intimate the Authority, within fifteen days of any direct or indirect change in control of the intermediary.

18. Debenture Trustees incorporated in the IFSC

18.1 In terms of regulation 23(2) of the CMI Regulations, the Debenture Trustee shall seek prior approval of the Authority, in case of any direct or indirect change in control of the entity.

19. Information to be submitted while seeking prior approval or submitting intimation regarding change in control

19.1 The Debenture Trustee shall provide the following information while submitting application for seeking prior approval of IFSCA or submitting intimation to IFSCA regarding change in control:

19.1.1 Details of new shareholders / entities exercising control over the Debenture Trustee along with number of shares, per cent. of shares etc.;

19.1.2 A declaration that the new shareholders/ entities exercising control are “fit and proper” in accordance with the criteria specified under regulation 8 of the CMI Regulations;

19.1.3 Details of any material regulatory action taken or pending against the Debenture Trustee or any of its controlling shareholder or director/ designated partner by any financial sector regulator in the last three years;

19.1.4 A confirmation that all fees due to IFSCA as per the IFSCA Fee Circular has been paid;

19.1.5 Number of investor complaints pending, if any, at the time of filing application/ intimation;

19.1.6 Details of ongoing material litigations, if any; and

19.1.7 Copies of board resolution and shareholder resolution, as applicable, relating to change in control.

CHAPTER - XIII: PERIODIC REPORTING

20. Quarterly Reporting

- 20.1 The Debenture Trustee shall submit reports to the Authority on a quarterly basis in accordance with the requirements specified under the circular titled [Reporting Norms for Capital Market Intermediaries](#) dated February 08, 2024 (as amended from time to time).
- 20.2 The Debenture Trustee shall furnish such information, documents, or records as may be specified by the Authority from time to time.

21. Annual Compliance Audit

- 21.1 In terms of regulation 25 of the CMI Regulations, the Debenture Trustee shall have an annual audit conducted in respect of compliance with the CMI Regulations by a member of the Institute of Chartered Accountants of India or a member of the Institute of Company Secretaries of India or a member of the Institute of Cost Accountants of India or any person authorised to conduct audit in a Foreign Jurisdiction.
- 21.2 A copy of such compliance audit report for a financial year shall be furnished to the Authority by the 30th of September of such year.
- 21.3 The Debenture Trustee shall have additional audits and submit such reports as may be specified by the Authority from time to time.

CHAPTER - XIV: CYBER SECURITY AND CYBER RESILIENCE

22. Cyber Security and Cyber Resilience

- 22.1 In terms of regulation 21 of the CMI Regulations, the Debenture Trustee shall have robust cyber security and cyber resilience framework in accordance with the requirements as may be specified by the Authority.
- 22.2 The Debenture Trustee shall comply with the guidelines specified under the circular titled [Guidelines on Cyber Security and Cyber Resilience for Regulated Entities in IFSCs](#) dated March 10, 2025. As mentioned in the said circular, the implementation of these Guidelines shall be undertaken in accordance with the principle of proportionality, after taking into due consideration:
- 22.2.1 the scale and complexity of operations;
 - 22.2.2 the nature of the activity the entity is engaged in;
 - 22.2.3 its interconnectedness with the financial ecosystem; and
 - 22.2.4 the corresponding cyber risks the entity is exposed to.

CHAPTER - XV: SURRENDER OF REGISTRATION

23.Surrender of Registration

23.1 In terms of regulation 14 of the CMI Regulations, a debenture trustee may file an application with the Authority for surrender of its registration.

23.2 The Debenture Trustee shall provide the following information while submitting application for surrender of registration:

23.2.1 Details of registration;

23.2.2 Original Certificate of Registration (if issued in physical form);

23.2.3 List of all activities that are being carried out by the entity;

23.2.4 Details of registration in any other capacity with IFSCA;

23.2.5 List of controlling shareholders and directors/ designated partners;

23.2.6 Details of any material regulatory action taken or pending against the Debenture Trustee or any of its controlling shareholder or director / designated partner by any financial sector regulator in the last three years;

23.2.7 Details of ongoing material litigations, if any;

23.2.8 Copies of board resolution and shareholder resolution, as applicable, relating to surrender of registration;

23.2.9 Reasons for surrender of registration; and

23.2.10 Undertakings as under:

Whether any disciplinary proceeding is pending against the Applicant	
Whether any investigation/adjudication/ enquiry by IFSCA is pending against the applicant or its controlling shareholders and directors / designated partners	
Whether as on date of application all fees have been paid and also mention the date of next due date of payment of fee	
Whether any arrangements made by the applicant for maintenance and preservation of records and other documents required to be maintained under the relevant regulations /guidelines of IFSCA	

Whether any arrangements made to transfer its activities to another intermediary holding a valid certificate of registration to carry on such activity	
Whether there are any investor complaints pending against the Applicant as on the date of application.	

Annexure – C



MASTER CIRCULAR

e.File No.....

July __, 2025

To,

All Distributors in the International Financial Services Centre (IFSC)

All Fund Management Entities in the IFSC

Madam/Sir,

Sub: Master Circular for Distributors

1. The IFSCA has notified International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025 ("CMI Regulations"), with the objective of providing the regulatory framework for registration, regulation and supervision of capital market intermediaries operating in the international financial services centres in India.
2. The Authority hereby issues this Master Circular to specify the requirements or directions on various provisions pertaining to Distributors under the CMI Regulations.
3. This master circular is being issued in exercise of powers conferred by Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019 read with regulation 45 of the CMI Regulations and shall come into force from the date of its issuance.

A copy of this circular is available on the website of the International Financial Services Centres Authority at www.ifsc.gov.in.

Yours faithfully,

Arjun Prasad
General Manager
arjun.pd@ifsc.gov.in

Master Circular for Distributors

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CHAPTER - I: REGISTRATION PROCESS

1. Application through SWIT System

- 1.1 The Hon'ble Finance Minister, in the Union Budget for FY 2023-24 announced - *"Implementation of a single window IT-enabled system for application processing of entities desirous of setting up operations in GIFT IFSC to improve the Ease of Doing Business (EoDB)."*
- 1.2 Towards this end, IFSCA has operationalised a Single Window IT System (SWIT System/SWITS), which, *inter-alia*, contains a Common Application Form (CAF), created by merging several existing forms including business-specific Annexure Forms. The SWITS aims to harmonise and simplify the process of submission of application under the Acts specified in the First Schedule of the IFSCA Act, 2019, including any regulations or framework issued thereunder, in addition to the Special Economic Zones (SEZ) Act, 2005. The Application Form (Form-FA) for seeking Letter of Approval (LoA) from the Administrator (IFSCA) under the SEZ Act, 2005 is also the part of the SWITS and is integrated with the SEZ Online System.
- 1.3 Apart from this, the SWITS also integrates within itself a No objection Certificate (NoC) processing module that will ease the process of obtaining NoCs, wherever necessary, from the appropriate regulators viz. RBI, SEBI and IRDAI. In addition, SWITS also provides the facility for an entity to apply for Goods and Services Tax Number (GSTN), thereby simplifying the tax registration for businesses. Further, SWITS also enables the online payment of fees in USD for entities desirous of setting up operations in IFSC.
- 1.4 The link for accessing the SWITS platform is <https://swit.ifsc.gov.in>.
- 1.5 An entity desirous of seeking registration as a Distributor with the Authority shall submit/file its applications exclusively through SWITS¹² for seeking-
 - 1.5.1 Registration as a Distributor under the provisions of the CMI Regulations;
 - 1.5.2 Approvals from SEZ Authorities and registration from GSTN; and
 - 1.5.3 NoC/requisite approval from appropriate regulators.
- 1.6 For more details, please refer to the circular titled "[Single Window IT System inter-alia for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI](#)" issued by IFSCA on September 30, 2024 in this regard.

¹² Regulation 5 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

2. Simplified process for obtaining certificate of registration as Distributors

2.1 An entity desirous of obtaining registration as a Distributor under the CMI Regulations may apply through a simplified application process, provided that the entity is already registered or licensed with the Authority in any of the below mentioned categories:

2.1.1 Banking Units;

2.1.2 Finance Companies or Finance;

2.1.3 Broker Dealers;

2.1.4 Investment Bankers;

2.1.5 Investment Advisers; and

2.1.6 Corporate Agents.

2.2 An entity desirous of availing simplified registration may submit an application to the Authority along with the following information / documents:

2.2.1 Details of existing registration /licence granted by the Authority;

2.2.2 Business Plan;

2.2.3 Details of Principal Officer, Compliance Officer, and other human resources for distribution activities;

2.2.4 Relevant documents pertaining to qualification and experience of Principal Officer and Compliance Officer;

2.2.5 Details of proposed infrastructure for distribution activities;

2.2.6 Declaration regarding compliance with 'fit and proper' criteria as specified under regulation 8 of the CMI Regulations;

2.2.7 Approval of Administrator, IFSCA under the SEZ Act, 2005 for undertaking distribution activities specified under the CMI Regulations;

2.2.8 Payment of fees as specified by the Authority.

Explanation: The simplified application containing the afore-mentioned documents/details may be submitted through email to the Authority until this feature is enabled in SWIT System.

3. Payment of Fees

3.1 An applicant desirous of obtaining registration as a Distributor shall pay the application fee, as specified in Schedule-I of the circular titled "[Fee structure for the](#)

[entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#) ("IFSCA Fee Circular") dated April 08, 2025, read with circular titled "[Clarifications on the Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#)" dated April 23, 2025, at the time of making an application to the Authority. If an application is not accompanied by the mandated application fee, such an application shall not be considered by the Authority.

- 3.2 On intimation of the decision by the Authority to grant in-principle approval, the applicant shall, within 15 days of such an intimation, pay the applicable registration fees as specified in Schedule-I of the IFSCA Fee Circular.
- 3.3 In those cases where the applicant fails to pay the requisite registration fees within the specified time, it shall be presumed that the applicant does not wish to continue the process. In such a case, the Authority may at its discretion reject the application. An application once rejected, shall be treated as non-est. The rejection of the application, however, shall not render the entity ineligible for making a fresh application.
- 3.4 In case the Authority decides not to grant a registration to an applicant to whom a provisional / in-principle approval has been granted, the fees paid by the applicant towards obtaining licence, registration, recognition or authorization fee shall not be refunded.
- 3.5 The fees as specified in the Schedule-I of the IFSCA Fee Circular, shall be paid to the following account of the Authority in USD:

Account Name: **International Financial Services Centres Authority**

Account Number: **970105000174**

Type of Account: **USD Current Account**

Bank Name: **ICICI Bank Limited**

SWIFT Code: **ICICINAAXXX**

NOSTRO Details: **CHASUS33XXX**

JP MORGAN CHASE BANK NA, NEWYORK, USA

Account no: 833999532

- 3.6 An applicant **from India (other than an entity already set up in IFSC)** desirous of getting registration from the Authority shall have the option to pay **only the application fee and registration fee**, as specified in the Schedule-I of the IFSCA Fee Circular, in **INR** into the following account of the Authority:

Account Name: **IFSCA FUND 2**

Account Number: **39907189884**

Name of the Bank: **State Bank of India**

Type of Account: **INR Current Account**

IFSC Code: **SBIN0060228**

- 3.7 For the entities remitting the fees in INR, the RBI reference rate for USD-INR, for the date on which the remittance is being made, shall be applicable. The RBI reference rate is available at the URL:

<https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>

- 3.8 The applicable fee shall be paid in full, as indicated in this circular, net of any deductions or charges. All applicable charges towards remittance of the amount, shall be borne by the Distributor.
- 3.9 After the payment of the applicable fees, the applicant / Distributor shall submit the documentary evidence of such a payment to the Authority, along with the details of such a payment in the form and manner specified at Schedule-II of the IFSCA Fee Circular.
- 3.10 All dues or fees payable to the Authority shall be paid by the applicant / Distributor either from the bank account of the entity or that of its KMPs. In case the payment has been made from the account of the KMPs, the same shall be informed to the Authority during submission of the documentary evidence. However, in case of an initial payment of application and registration fee, such amount can be paid either by the parent or the promoter of the applicant.
- 3.11 The Registered Distributor shall pay annual fee and other applicable fees in accordance with the IFSCA Fee Circular.

CHAPTER - II: VALIDITY OF REGISTRATION

4. Certificate of Registration

- 4.1 The certificate of registration granted to a Distributor shall be perpetual unless it is suspended or cancelled by the Authority.¹³
- 4.2 The Registered Distributor shall, at all times, ensure that they hold valid and subsisting¹⁴:
 - 4.2.1 Certificate of Registration issued by the Authority under the CMI Regulations; and
 - 4.2.2 Letter of Approval (LoA) under the Special Economic Zones Act, 2005.
- 4.3 It may also be noted that the expiry of the Letter of Approval (having validity of 1 year, if business not commenced; or 5 years, after commencement of business) or failure to renew it in a timely manner, may lead to appropriate enforcement action, including cancellation of the registration granted under the CMI Regulations.
- 4.4 The Registered Distributor shall ensure compliance with the Circular titled "[Direction for all Regulated Entities](#)" dated April 03, 2025 issued by the Authority.

¹³ Regulation 13 of IFSCA (Capital Market Intermediaries) Regulations, 2025

¹⁴ Reference: IFSCA Circular No. IFSCA-LPRA/9/2024-Legal and Regulatory Affairs dated April 03, 2025

CHAPTER - III: PERMISSIBLE ACTIVITIES¹⁵

5. Permissible Activities

5.1 A Distributor registered with the Authority (“the Registered Distributor”) under the CMI Regulations are permitted to undertake the activities specified under regulation 32(1) of the CMI Regulations.

5.1.1 *Explanation:* For the purposes of regulation 32(1) of the CMI Regulations, the list of foreign jurisdictions which are identified in the notification published in the Gazette of India vide no. G.S.R. 882(E) dated November 28, 2019, as updated till the date of this circular, is as under:

- a. United States of America;
- b. Japan;
- c. South Korea;
- d. United Kingdom excluding British Overseas Territories;
- e. France;
- f. Germany; and
- g. Canada.

5.2 The Registered Distributor shall obtain registration, authorisation or license, as applicable, from the Authority under appropriate Regulations for undertaking any other activity in the IFSC.

¹⁵ Regulation 32 of the IFSCA (Capital Markets) Regulations, 2025

CHAPTER - IV: GOVERNANCE¹⁶

6. Principal Officer

- 6.1 The Registered Distributor shall have a Principal Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.
- 6.2 The Principal Officer shall be responsible for overall activities of the Registered Distributor in the IFSC.

7. Compliance Officer

- 7.1 The Registered Distributor shall have a Compliance Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.

¹⁶ Regulation 9 of the IFSCA (Capital Markets) Regulations, 2025

CHAPTER - V: CODE OF CONDUCT

8. Code of Conduct

- 8.1 The Registered Distributor shall abide by the Code of Conduct, including Advertisement Code, specified in Schedule II of the CMI Regulations.
- 8.2 The Registered Distributor may further engage or tie up or collaborate or in any manner enter into an arrangement (except that of employment) with any person (hereinafter referred to as 'associated distributor') for various permissible activities as specified under regulation 32(1) of the CMI Regulations. The Registered Distributor may have such arrangements only with those entities that are set up in India, IFSC or a Foreign Jurisdiction. Further, with respect to such arrangements with distributors in India or a Foreign Jurisdiction, the Registered Distributor shall ensure the following:
 - 8.2.1 That it carries out an assessment for every entity it plans to enter into an arrangement with as an associated distributor that the latter has the capability to ensure compliance with the Code of Conduct specified for distributors in the CMI Regulations. It shall also maintain records of such assessment;
 - 8.2.2 That it ensures compliance of the associated distributors to the code of conduct as specified for Distributors in the CMI Regulations, in so far as those permissible activities are concerned which are carried out as part of the arrangement.
- 8.3 An entity that undertakes distribution of capital market products or services offered by issuers and service providers set up in the IFSC but does not set up operations in an IFSC shall be required to comply with the code of conduct as specified under Clause "F. Distributors" under Part B of Schedule II of the CMI Regulations.

CHAPTER - VI: RESPONSIBILITIES OF REGISTERED DISTRIBUTORS

9. Responsibilities

- 9.1 The Registered Distributor shall ensure clear segregation of its proprietary investments and those carried out as part of its distribution activities in terms of the Circular.
- 9.2 The Registered Distributor shall not take clients' assets, including funds and securities, in its custody or exercise any control over management of such assets.
- 9.3 A Registered Distributor may facilitate clients through omnibus account structure to invest in jurisdictions where such structures are permitted by relevant regulatory or supervisory authority:

Provided that the Registered Distributor is:

- 9.3.1 A banking unit licensed by the Authority;
- 9.3.2 A finance company or a finance unit registered with the Authority;
- 9.3.3 A broker dealer registered with the Authority; or
- 9.3.4 A Registered Distributor having net worth more than USD 1,50,000.

Provide further that, in such cases, the Registered Distributor shall ensure that:

- 9.3.5 such investments are undertaken pursuant to prior consent of the clients;
 - 9.3.6 adequate internal checks and processes are in place to ensure inter-se separation of clients' funds and securities;
 - 9.3.7 the minimum investment requirement, if specified by the issuer or the service provider is met individually by each of the clients who are contributing into the omnibus structure;
 - 9.3.8 it complies with Know Your Customer (KYC) and the Anti-Money Laundering / Combating the Financing of Terrorism (AML/CFT) norms, as applicable and records of the same are adequately maintained;
 - 9.3.9 arrangements are in place to ensure clients' records are immediately made available in an appropriate manner to the Authority or any other competent authority, whenever required.
- 9.4 The Registered Distributor shall disclose to a prospective client, all material information about itself including its business, disciplinary history, terms and conditions on which it offers distribution services, affiliations with other intermediaries, conflicts of interest and any other material information so as to

enable the client to take an informed decision on whether or not to avail its distribution services.

- 9.5 The Registered Distributor shall enter into written agreement(s) with the clients, the issuers or service providers whose capital market products or services it undertakes to distribute and/or associate distributors, where applicable, containing *inter-se* relationship, mutual rights, liabilities, obligations and other material details.
- 9.6 The Registered Distributor shall provide assistance and arrange for necessary documents of its clients related to KYC, AML/CFT, Power of Attorney, investor's agreement(s), or such other documents, as may be required by regulated financial entities for offering their capital market products or services to the clients of Registered Distributor.

10. Distribution Fees

- 10.1 The entity shall not obtain any consideration by way of remuneration or compensation or any other form whatsoever, from the client, in respect of the capital market products or services distributed to the client, except in case of

10.1.1 Debt securities; and

10.1.2 Passively managed funds.

Explanation: Where a Registered Distributor is receiving any consideration from clients, for distribution of debt securities or passively managed funds, the Distributor shall not receive any consideration or fee from the issuer or the service provider.

- 10.2 Where a Registered Distributor is receiving any consideration from clients, for distribution of debt securities or passively managed funds, the Distributor shall upfront disclose to the client and obtain their explicit consent for all the fees, costs and associated charges payable by the client to the Distributor for facilitating such transactions.

11. Soliciting Clients through Referral Arrangements / Introducers

- 11.1 The Registered Distributor may enter into a written agreement with an entity in IFSC, India or Foreign Jurisdiction for soliciting clients through referral / introducing arrangements. The agreement shall contain all material details about the referral /introducing arrangement for soliciting clients.
- 11.2 While a Registered Distributor may use referral arrangements or introducers for soliciting clients, the distributor shall continue to be responsible for all obligations and responsibilities as laid down for distribution of capital market products or services to clients in this circular. The distributor shall disclose to the client the remuneration, if any, associated with such referral / introducing arrangement.

12. Distribution through digital mode

- 12.1 The Registered Distributor may enter into an arrangement with issuers, service providers or associated distributors for sale of capital market products and/or services through any digital mode.
- 12.2 The Registered Distributor, issuers and service providers, as applicable, shall ensure that the obligations and responsibilities as attributed to them in the Circular, Regulations and other applicable laws shall be duly discharged in course of distribution through digital mode.

CHAPTER - VII: OBLIGATIONS AND RESPONSIBILITIES OF ISSUERS AND SERVICE PROVIDERS SET UP IN IFSC

13. Obligations and Responsibilities of Issuers and Service Providers set up in IFSC

- 13.1 In case of empanelment of a distributor other than a Registered Distributor, an issuer or a regulated financial entity set up in IFSC shall ensure that:
- 13.1.1 prior to such empanelment, an assessment is carried out satisfying itself that the Distributor has the capability to ensure compliance with the code of conduct as specified for Distributors in the CMI Regulations and maintain records of such assessment;
 - 13.1.2 on an ongoing basis, the Distributor complies with the code of conduct as specified for Distributors in the CMI Regulations, in so far as the activities undertaken by the Distributors for distribution of capital market products or services of that issuer or regulated financial entity are concerned.
- 13.2 Issuers and regulated financial entities shall take suitable action against Distributors empaneled by them in the event of any non-compliance by such Distributor and shall report the details of non-compliance to the Authority without any delay.
- 13.3 While regulated financial entities may enter into arrangements with the Distributors with respect to fulfilment of requirements as applicable under various laws, including but not limited to KYC, AML/CFT, they shall, however, continue to bear the responsibility of compliance with all applicable laws with respect to the clients solicited by the Distributors.

CHAPTER - VIII: KYC AML & CFT GUIDELINES

14. KYC AML & CFT Guidelines

- 14.1 The Registered Distributor shall comply with the “*IFSCA (Anti Money Laundering, Counter Terrorist-Financing and Know Your Customer) Guidelines, 2022*” and circulars or directions issued thereunder by the Authority from time to time.
- 14.2 The Registered Distributor shall ensure that the registration on FIU-IND FINGate 2.0 portal (‘FIU-IND Portal’) is completed prior to commencement of business and in case of an urgency to commence business, the registration shall be completed within 30 days from the date of commencement of business.
- 14.3 The Registered Distributor shall also ensure that any addition or modification to their Line of Business is updated on the FIU-IND portal within a period of thirty days from the date of commencement of such an additional Line of Business.
- 14.4 The Registered Distributor shall comply with the circular titled “[Registration on FIU-IND FINGate 2.0 portal for compliance with International Financial Services Centres Authority \(Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer\) Guidelines, 2022](#)” issued by the Authority on February 25, 2025 and such other guidelines issued by the Authority from time to time.

CHAPTER - IX: INTERNAL POLICY ON OUTSOURCING OF ACTIVITIES

15. Internal Policy on Outsourcing

- 15.1 In terms of Code of Conduct provided under Schedule II of the CMI Regulations, the Registered Distributors are required to have an internal policy for outsourcing of its activities from outside of IFSC.
- 15.2 The Registered Distributor shall have an internal policy on outsourcing of activities prior to commencement of operations and the Distributor shall ensure compliance with the policy at all times.

CHAPTER - X: COMPLAINT HANDLING AND GRIEVANCE REDRESSAL

16. Complaint Handling and Grievance Redressal

- 16.1 Regulation 18 of the CMI Regulations require that the capital market intermediaries in the IFSC shall take adequate steps for redress of grievances of the investors in accordance with the requirements as may be specified by the Authority.
- 16.2 The Registered Distributor shall comply with the applicable norms and requirements relating to handling of consumer complaints specified by the Authority by way of circular titled [Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC](#) dated December 02, 2024 read with circular titled [“Extension of timeline for implementation of the Circular titled “Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC” dated December 02, 2024”](#) issued on January 13, 2025.

CHAPTER - XI: CHANGE IN CONTROL

17. Distributors operating in the IFSC in Branch Structure

- 17.1 In terms of regulation 23(1) of the CMI Regulations, the Registered Distributor shall intimate the Authority, within fifteen days of any direct or indirect change in control of the intermediary.

18. Distributors incorporated in the IFSC

- 18.1 In terms of regulation 23(2) of the CMI Regulations, the Registered Distributor shall seek prior approval of the Authority, in case of any direct or indirect change in control of the entity.

19. Information to be submitted while seeking prior approval or submitting intimation regarding change in control

- 19.1 The Registered Distributor shall provide the following information while submitting application for seeking prior approval of IFSCA or submitting intimation to IFSCA regarding change in control:

19.1.1 Details of new shareholders / entities exercising control over the entity along with number of shares, per cent. of shares etc.;

19.1.2 A declaration that the new shareholders/ entities exercising control are “fit and proper” in accordance with the criteria specified under regulation 8 of the CMI Regulations;

19.1.3 Details of any material regulatory action taken or pending against the entity or any of its controlling shareholder or director/ designated partner by any financial sector regulator in the last three years;

19.1.4 A confirmation that all fees due to IFSCA as per the IFSCA Fee Circular has been paid;

19.1.5 Number of investor complaints pending, if any, at the time of filing application/ intimation;

19.1.6 Details of ongoing material litigations, if any; and

19.1.7 Copies of board resolution and shareholder resolution, as applicable, relating to change in control.

CHAPTER - XII: PERIODIC REPORTING

20. Quarterly Reporting

- 20.1 The Registered Distributor shall submit reports to the Authority on a quarterly basis in accordance with the requirements specified under the circular titled [Reporting Norms for Capital Market Intermediaries](#) dated February 08, 2024 (as amended from time to time).
- 20.2 The Registered Distributor shall furnish such information, documents, or records as may be specified by the Authority from time to time.

21. Annual Compliance Audit

- 21.1 In terms of regulation 25 of the CMI Regulations, the Registered Distributor shall have an annual audit conducted in respect of compliance with the CMI Regulations by a member of the Institute of Chartered Accountants of India or a member of the Institute of Company Secretaries of India or a member of the Institute of Cost Accountants of India or any person authorised to conduct audit in a Foreign Jurisdiction.
- 21.2 A copy of such compliance audit report for a financial year shall be furnished to the Authority by the 30th of September of such year.
- 21.3 The Registered Distributor shall have additional audits and submit such reports as may be specified by the Authority from time to time.

CHAPTER - XIII: CYBER SECURITY AND CYBER RESILIENCE

22. Cyber Security and Cyber Resilience

22.1 In terms of regulation 21 of the CMI Regulations, the Registered Distributor shall have robust cyber security and cyber resilience framework in accordance with the requirements as may be specified by the Authority.

22.2 The Registered Distributor shall comply with the guidelines specified under the circular titled [Guidelines on Cyber Security and Cyber Resilience for Regulated Entities in IFSCs](#) dated March 10, 2025. As mentioned in the said circular, the implementation of these Guidelines shall be undertaken in accordance with the principle of proportionality, after taking into due consideration:

22.2.1 the scale and complexity of operations;

22.2.2 the nature of the activity the entity is engaged in;

22.2.3 its interconnectedness with the financial ecosystem; and

22.2.4 the corresponding cyber risks the entity is exposed to.

CHAPTER - XIV: SURRENDER OF REGISTRATION

23.Surrender of Registration

23.1 In terms of regulation 14 of the CMI Regulations, a Registered Distributor may file an application with the Authority for surrender of its registration.

23.2 The Registered Distributor shall provide the following information while submitting application for surrender of registration:

23.2.1 Details of registration;

23.2.2 Original Certificate of Registration (if issued in physical form);

23.2.3 List of all activities that are being carried out by the entity;

23.2.4 Details of registration in any other capacity with IFSCA;

23.2.5 List of controlling shareholders and directors / designated partners;

23.2.6 Details of any material regulatory action taken or pending against the Distributor or any of its controlling shareholder or director/ designated partner by any financial sector regulator in the last three years;

23.2.7 Details of ongoing material litigations, if any;

23.2.8 Copies of board resolution and shareholder resolution, as applicable, relating to surrender of registration;

23.2.9 Reasons for surrender of registration; and

23.2.10 Undertaking as under:

Whether any disciplinary proceeding is pending against the Applicant	
Whether any investigation/adjudication/ enquiry by IFSCA is pending against the applicant or its controlling shareholders and directors / designated partners	
Whether as on date of application all fees have been paid and also mention the date of next due date of payment of fee	
Whether any arrangements made by the applicant for maintenance and preservation of records and other documents required to be maintained under the relevant regulations /guidelines of IFSCA	

Whether any arrangements made by it for ensuring continuity of service to the clients	
Whether any arrangements made to transfer its activities to another intermediary holding a valid certificate of registration to carry on such activity	
Whether there are any investor complaints pending against the applicant as on the date of application	

Annexure – D



MASTER CIRCULAR

e.File No....

July __, 2025

To,

All ESG Ratings and Data Products Providers in the International Financial Services Centre (IFSC)

Madam/Sir,

Sub: Master Circular for ESG Ratings and Data Products Providers in the IFSC

1. The IFSCA has notified International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025 ("CMI Regulations") with the objective of providing the regulatory framework for registration, regulation and supervision of capital market intermediaries operating in the international financial services centres in India.
2. The Authority hereby issues this Master Circular to specify the requirements or directions on various provisions pertaining to ESG Ratings and Data Products Providers under the CMI Regulations.
3. This Master Circular is being issued in exercise of powers conferred by Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019 read with regulation 45 of the CMI Regulations and shall come into force from the date of its issuance.

A copy of this circular is available on the website of the International Financial Services Centres Authority at www.ifsc.gov.in.

Yours faithfully,

Arjun Prasad
General Manager
arjun.pd@ifsc.gov.in

Master Circular for ESG Ratings and Data Products Providers

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CHAPTER - I: REGISTRATION PROCESS

1. Application through SWIT System

- 1.1 The Hon'ble Finance Minister, in the Union Budget for FY 2023-24 announced - *"Implementation of a single window IT-enabled system for application processing of entities desirous of setting up operations in GIFT IFSC to improve the Ease of Doing Business (EoDB)."*
- 1.2 Towards this end, IFSCA has operationalised a Single Window IT System (SWIT System/ SWITS), which, inter-alia, contains a Common Application Form (CAF), created by merging several existing forms including business-specific Annexure Forms. The SWITS aims to harmonise and simplify the process of submission of application under the Acts specified under the First Schedule of the IFSCA Act, 2019, including any regulations or framework issued thereunder , in addition to the Special Economic Zones (SEZ) Act, 2005. The Application Form (Form-FA) for seeking Letter of Approval (LoA) from the Administrator (IFSCA) under the SEZ Act, 2005 is also the part of the SWITS and is integrated with the SEZ Online System.
- 1.3 Apart from this, the SWITS also integrates within itself a No objection Certificate (NoC) processing module that will ease the process of obtaining NoCs, wherever necessary, from the appropriate regulators viz. RBI, SEBI and IRDAI. In addition, SWITS also provides the facility for an entity to apply for Goods and Services Tax Number (GSTN), thereby simplifying the tax registration for businesses. Further, SWITS also enables the online payment of fees in USD for entities desirous of setting up operations in IFSC.
- 1.4 The link for accessing the SWITS platform is <https://swit.ifsc.gov.in>
- 1.5 An entity desirous of seeking registration as an ESG Ratings and Data Products Provider with the Authority shall submit/file its applications exclusively through SWITS¹⁷ for seeking-
 - 1.5.1 Registration as an ESG Ratings and Data Products Provider under the provisions of the CMI Regulations;
 - 1.5.2 Approvals from SEZ Authorities and registration from GSTN; and
 - 1.5.3 NoC/requisite approval from appropriate regulators.
- 1.6 For more details, please refer to the circular titled "[Single Window IT System inter-alia for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI](#)" issued by IFSCA on September 30, 2024 in this regard.

¹⁷ Regulation 5 of IFSCA (Capital Market Intermediaries) Regulations, 2025

2. SEBI-registered ESG Rating Providers (ERPs)

- 2.1 Securities and Exchange Board of India, vide circular dated July 19, 2024 on [“Enabling ESG Rating Providers \(ERPs\) to undertake ESG rating activities under IFSCA”](#) permitted the ESG Rating Providers registered with SEBI to undertake ESG rating activities in the IFSC in accordance with regulation 28E (d) of SEBI (Credit Rating Agencies) Regulations, 1999 read with para 7.1 of the master circular of SEBI for ESG Rating providers dated May 16, 2024. Para 7.1 of the master circular provides that *“CRA Regulations allow ERPs to undertake or offer ESG rating of any product or issuer, as may be required by another financial sector regulator or authority, as may be specified by SEBI, under the guidelines of such regulator or authority.”*
- 2.2 An ESG Rating Provider (ERPs), registered with SEBI, desirous of undertaking activities relating to ESG Ratings and ESG Data Products in the IFSC, shall apply to the Authority for registration under the CMI Regulations. The activities of the ESG Ratings and Data Products Providers operating in the IFSC shall be subject to the requirements in the IFSCA Act, 2019, CMI Regulations and other applicable regulations and circulars notified by IFSCA from time to time. The application shall be filed through the SWIT System.

3. Payment of Fees

- 3.1 An applicant seeking registration as an ESG Ratings and Data Products Provider under the CMI Regulations shall pay the application fee, as specified in Schedule-I of the circular titled [“Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme”](#) (“IFSCA Fee Circular”) dated April 08, 2025, read with circular titled [“Clarifications on the Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme”](#) dated April 23, 2025, at the time of making an application to the Authority. If an application is not accompanied by the mandated application fee, such an application shall not be considered by the Authority.
- 3.2 On intimation of the decision by the Authority to grant in-principle approval, the applicant shall, within 15 days of such an intimation, pay the applicable registration fees as specified in Schedule-I of the IFSCA Fee Circular.
- 3.3 In those cases where the applicant fails to pay the requisite registration fees within the specified time, it shall be presumed that the applicant does not wish to continue the process. In such a case, the Authority may at its discretion reject the application. An application once rejected, shall be treated as non-est. The rejection of the application, however, shall not render the entity ineligible for making a fresh application.
- 3.4 In case the Authority decides not to grant a registration to an applicant to whom a provisional / in-principle approval has been granted, the fees paid by the applicant

towards obtaining licence, registration, recognition or authorization fee shall not be refunded.

- 3.5 The fees as specified in the Schedule-I of the IFSCA Fee Circular shall be paid to the following account of the Authority in USD:

Account Name: **International Financial Services Centres Authority**
Account Number: **970105000174**
Type of Account: **USD Current Account**
Bank Name: **ICICI Bank Limited**
SWIFT Code: **ICICINAAXXX**
NOSTRO Details: **CHASUS33XXX**
JP MORGAN CHASE BANK NA, NEWYORK, USA
Account no: **833999532**

- 3.6 An applicant from India (other than an entity already set up in IFSC) desirous of getting registration from the Authority shall have the option to pay **only the application fee and registration fee**, as specified in the Schedule-I of the IFSCA Fee Circular, in **INR** into the following account of the Authority:

Account Name: **IFSCA FUND 2**
Account Number: **39907189884**
Name of the Bank: **State Bank of India**
Type of Account: **INR Current Account**
IFSC Code: **SBIN0060228**

- 3.7 For the entities remitting the fees in INR, the RBI reference rate for USD-INR, for the date on which the remittance is being made, shall be applicable. The RBI reference rate is available at the URL:

<https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>

- 3.8 The applicable fee shall be paid in full, as indicated in the IFSCA Fee Circular, net of any deductions or charges. All applicable charges towards remittance of the amount, shall be borne by the applicant / ESG Ratings and Data Products Provider.
- 3.9 After the payment of the applicable fees, the applicant / ESG Ratings and Data Products Provider shall submit the documentary evidence of such a payment to the Authority, along with the details of such a payment in the form and manner specified at Schedule-II of the IFSCA Fee Circular.
- 3.10 All dues or fees payable to the Authority shall be paid by the applicant / ESG Ratings and Data Products Provider either from the bank account of the entity or that of its KMPs. In case the payment has been made from the account of the KMPs, the same shall be informed to the Authority during submission of the documentary evidence.

However, in case of an initial payment of application and registration fee, such amount can be paid either by the parent or the promoter of the applicant.

- 3.11 An ESG Ratings and Data Products Provider registered with the Authority shall pay annual fee and other applicable fees in accordance with the IFSCA Fee Circular.

CHAPTER - II: VALIDITY OF REGISTRATION

4. Certificate of Registration

- 4.1 The certificate of registration granted to a CMI shall be perpetual unless it is suspended or cancelled by the Authority¹⁸.
- 4.2 The ERDPP shall, at all times, ensure that they hold valid and subsisting¹⁹:
 - 4.21. Certificate of Registration issued by the Authority under the CMI Regulations; and
 - 4.22. Letter of Approval (LoA) under the Special Economic Zones Act, 2005.
- 4.3 It may also be noted that the expiry of the Letter of Approval (having validity of 1 year, if business not commenced or 5 years, after commencement of business) or failure to renew it in timely manner, may lead to appropriate enforcement action, including cancellation of the registration granted under the CMI Regulations.
- 4.4 The ERDPP shall ensure compliance with the Circular titled “[Direction for all Regulated Entities](#)” dated April 03, 2025 issued by the Authority.

¹⁸ Regulation 13 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

¹⁹ Reference: IFSCA Circular No. IFSCA-LPRA/9/2024-Legal and Regulatory Affairs dated April 03, 2025

CHAPTER - III: PERMISSIBLE ACTIVITIES²⁰

5. Permissible Activities

- 5.1 An ESG Ratings and Data Products Provider registered with the Authority (“the ERDPP”) under the CMI Regulations are permitted to undertake services relating to ESG Ratings and ESG Data Products in the IFSC or a Foreign Jurisdiction.
- 5.2 The ERDPP shall obtain registration, authorisation or license, as applicable, from the Authority under appropriate Regulations for undertaking any other activity in the IFSC.
- 5.3 The ERDPP shall not provide any other service without the prior approval of the Authority.

²⁰ Regulation 33 of the IFSCA (Capital Market Intermediaries) Regulations, 2025.

CHAPTER - IV: GOVERNANCE²¹

6. Principal Officer

- 6.1 The ERDPP shall have a Principal Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.
- 6.2 The Principal Officer shall be responsible for overall activities of the ERDPP in the IFSC.
- 6.3 Where an ERDPP is also registered as a Credit Rating Agency with the Authority under the CMI Regulations, the entity may have the same person as principal officer for both the activities.

7. Compliance Officer

- 7.1 The ERDPP shall have a Compliance Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.
- 7.2 Where an ERDPP is also registered as a Credit Rating Agency with the Authority under the CMI Regulations, the entity may have the same person as compliance officer for both the activities.

²¹ Regulation 9 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

CHAPTER - V: CODE OF CONDUCT

8. IOSCO Report and ICMA Code of Conduct

- 8.1 IOSCO published a report in November 2021 on “[Environmental, Social and Governance \(ESG\) Ratings and Data Products Providers](#)” (ERDPPs) providing 10 recommendations for securities market regulators to consider while regulating ERDPPs with a focus on promoting transparency, good governance, management of conflicts of interest, and robust internal systems and controls.
- 8.2 Subsequently, securities market regulators in few global jurisdictions have issued frameworks, including codes of conduct, for regulating ERDPPs. An industry-led working group, with the support of the International Capital Market Association and the International Regulatory Strategy Group, created a voluntary [Code of Conduct](#) in December 2023, for ERDPPs.

9. Code of Conduct

- 9.1 The ERDPP shall adhere to the Code of Conduct provided under regulation 33(3) of the CMI Regulations on a “comply” or “explain” basis.
- 9.2 The ERDPP shall disclose compliance of the “Code of Conduct” provided above on a “comply” or “explain” basis on its website.

CHAPTER - VI: KYC AML & CFT GUIDELINES

10. KYC AML & CFT Guidelines

- 10.1 The ERDPP shall comply with the IFSCA (Anti Money Laundering, Counter Terrorist-Financing and Know Your Customer) Guidelines, 2022 (as amended) and circulars and directions issued thereunder by the Authority from time to time.
- 10.2 The ERDPP shall ensure that the registration on FIU-IND FINGate 2.0 portal ('FIU-IND Portal') is completed prior to commencement of business and in case of an urgency to commence business, the registration shall be completed within 30 days from the date of commencement of business.
- 10.3 The ERDPP shall also ensure that any addition or modification to their Line of Business is updated on the FIU-IND portal within a period of thirty days from the date of commencement of such an additional Line of Business.
- 10.4 The ERDPP shall comply with the circular titled "[Registration on FIU-IND FINGate 2.0 portal for compliance with International Financial Services Centres Authority \(Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer\) Guidelines, 2022](#)" issued by the Authority on February 25, 2025 and such other guidelines issued by the Authority from time to time.

CHAPTER - VII: OTHER OBLIGATIONS²²

11. ESG Ratings process

- 11.1 The ERDPP providing ESG Ratings shall have guidelines / criteria / methodology on the rating process and the same shall be disclosed on its website.

12. Disclosure of ESG Ratings

- 12.1 The ERDPP shall disclose all ESG Ratings provided by it on its website.

13. Segregation

- 13.1 The ERDPP shall segregate its activities relating to ESG Ratings and ESG Data Products from its other activities to ensure that there is no conflict of interest between these activities.

²² Regulation 33 of the IFSCA (Capital Market Intermediaries) Regulations, 2025.

CHAPTER - VIII: INTERNAL POLICY ON OUTSOURCING OF ACTIVITIES

14. Internal Policy on Outsourcing

- 14.1 In terms of Code of Conduct provided under Schedule II of the CMI Regulations, the ERDPPs are required to have an internal policy for outsourcing of its activities from outside of IFSC.
- 14.2 The ERDPP shall have an internal policy on outsourcing of activities prior to commencement of operations and the ERDPP shall ensure compliance with the policy at all times.

CHAPTER - IX: COMPLAINT HANDLING AND GRIEVANCE REDRESSAL

15. Complaint Handling and Grievance Redressal

- 15.1 Regulation 18 of the CMI Regulations require that the capital market intermediaries in the IFSC shall take adequate steps for redress of grievances of the investors in accordance with the requirements as may be specified by the Authority.
- 15.2 The ERDPP shall comply with the applicable norms and requirements relating to handling of consumer complaints specified by the Authority by way of circular titled [Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC](#) dated December 02, 2024 read with circular titled "[Extension of timeline for implementation of the Circular titled "Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC" dated December 02, 2024](#)" issued on January 13, 2025.

CHAPTER - X: CHANGE IN CONTROL

16. ERDPPs operating in the IFSC in Branch Structure

- 16.1 In terms of regulation 23(1) of the CMI Regulations, the ERDPP shall intimate the Authority, within fifteen days of any direct or indirect change in control of the intermediary.

17. ERDPPs incorporated in the IFSC

- 17.1 In terms of regulation 23(2) of the CMI Regulations, the ERDPP shall seek prior approval of the Authority, in case of any direct or indirect change in control of the entity.

18. Information to be submitted while seeking prior approval or submitting intimation regarding change in control

- 18.1 The ERDPP shall provide the following information while submitting application for seeking prior approval of IFSCA or submitting intimation to IFSCA regarding change in control:
- 18.1.1 Details of new shareholders / entities exercising control over the ERDPP along with number of shares, per cent. of shares etc.;
 - 18.1.2 A declaration that the new shareholders/ entities exercising control are “fit and proper” in accordance with the criteria specified under regulation 8 of the CMI Regulations;
 - 18.1.3 Details of any material regulatory action taken or pending against the ERDPP or any of its controlling shareholder or director/ designated partner by any financial sector regulator in the last three years;
 - 18.1.4 A confirmation that all fees due to IFSCA as per the IFSCA Fee Circular has been paid;
 - 18.1.5 Number of investor complaints pending, if any, at the time of filing application/ intimation;
 - 18.1.6 Details of ongoing material litigations, if any; and
 - 18.1.7 Copies of board resolution and shareholder resolution, as applicable, relating to change in control.

CHAPTER - XI: PERIODIC REPORTING

19. Quarterly Reporting

- 19.1 The ERDPP shall submit reports to the Authority on a quarterly basis in accordance with the requirements specified under the circular titled Reporting Norms for Capital Market Intermediaries dated February 08, 2024 (as amended from time to time).
- 19.2 The ERDPP shall furnish such information, documents, or records as may be specified by the Authority from time to time.

20. Annual Compliance Audit

- 20.1 In terms of regulation 25 of the CMI Regulations, the ERDPP shall have an annual audit conducted in respect of compliance with the CMI Regulations by a member of the Institute of Chartered Accountants of India or a member of the Institute of Company Secretaries of India or a member of the Institute of Cost Accountants of India or any person authorised to conduct audit in a Foreign Jurisdiction.
- 20.2 A copy of such compliance audit report for a financial year shall be furnished to the Authority by the 30th of September of such year.
- 20.3 The ERDPP shall have additional audits and submit such reports as may be specified by the Authority from time to time.

CHAPTER - XII: CYBER SECURITY AND CYBER RESILIENCE

21. Cyber Security and Cyber Resilience

- 21.1 In terms of regulation 21 of the CMI Regulations, the ERDPP shall have robust cyber security and cyber resilience framework in accordance with the requirements as may be specified by the Authority.
- 21.2 The ERDPP shall comply with the guidelines specified under the circular titled [Guidelines on Cyber Security and Cyber Resilience for Regulated Entities in IFSCs](#) dated March 10, 2025. As mentioned in the said circular, the implementation of these Guidelines shall be undertaken in accordance with the principle of proportionality, after taking into due consideration:
- 21.2.1 the scale and complexity of operations;
 - 21.2.2 the nature of the activity the entity is engaged in;
 - 21.2.3 its interconnectedness with the financial ecosystem; and
 - 21.2.4 the corresponding cyber risks the entity is exposed to.

CHAPTER - XIII: SURRENDER OF REGISTRATION

22.Surrender of Registration

22.1 In terms of regulation 14 of the CMI Regulations, an ERDPP may file an application with the Authority for surrender of its registration.

22.2 The ERDPP shall provide the following information while submitting application for surrender of registration:

22.2.1 Details of registration;

22.2.2 Original Certificate of Registration (if issued in physical form);

22.2.3 List of all activities that are being carried out by the entity;

22.2.4 Details of registration in any other capacity with IFSCA;

22.2.5 List of controlling shareholders and directors / designated partners;

22.2.6 Details of any material regulatory action taken or pending against the ERDPP or any of its controlling shareholder or director/ designated partner by any financial sector regulator in the last three years;

22.2.7 Details of ongoing material litigations, if any;

22.2.8 Copies of board resolution and shareholder resolution, as applicable, relating to surrender of registration;

22.2.9 Reasons for surrender of registration; and

22.2.10 Undertaking as under:

Whether any disciplinary proceeding is pending against the Applicant	
Whether any investigation/adjudication/ enquiry by IFSCA is pending against the applicant or its controlling shareholders and directors / designated partners	
Whether as on date of application all fees have been paid and also mention the date of next due date of payment of fee	
Whether any arrangements made by the applicant for maintenance and preservation of records and other documents required to be maintained under the relevant regulations /guidelines of IFSCA	

Whether any arrangements made by it for ensuring continuity of service to the clients	
Whether any arrangements made to transfer its activities to another intermediary holding a valid certificate of registration to carry on such activity	
Whether there are any investor complaints pending against the applicant as on the date of application	

Annexure – E



MASTER CIRCULAR

e.File No....

July __, 2025

To,

All Investment Advisers in the International Financial Services Centre (IFSC)

Sir/Madam

Sub: Master Circular for Investment Advisers

1. The IFSCA has notified International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025 (“CMI Regulations”) with the objective of providing the regulatory framework for registration, regulation and supervision of capital market intermediaries, operating in the international financial services centres in India.
2. The Authority hereby issues this Master Circular to specify the requirements or directions on various provisions pertaining to Investment Adviser under the CMI Regulations.
3. This Master Circular is being issued in exercise of powers conferred by Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019 read with regulation 45 of the CMI Regulations and shall come into force from the date of its issuance.

A copy of this circular is available on the website of the International Financial Services Centres Authority at www.ifsc.gov.in.

Yours faithfully,

Arjun Prasad
General Manager
arjun.pd@ifsc.gov.in

Master Circular for Investment Advisers

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CHAPTER - 1: REGISTRATION PROCESS

1. Application through SWIT System

- 1.1. The Hon'ble Finance Minister, in the Union Budget for FY 2023-24 announced - *"Implementation of a single window IT-enabled system for application processing of entities desirous of setting up operations in GIFT IFSC to improve the Ease of Doing Business (EoDB)."*
- 1.2. Towards this end, IFSCA has operationalised a Single Window IT System (SWIT System/ SWITS), which, inter-alia, contains a Common Application Form (CAF), created by merging several existing forms including business-specific Annexure Forms. The SWITS aims to harmonise and simplify the process of submission of application under the Acts specified under the First Schedule of the IFSCA Act, 2019, including any regulations or framework issued thereunder, in addition to the Special Economic Zones (SEZ) Act, 2005. The Application Form (Form-FA) for seeking Letter of Approval (LoA) from the Administrator (IFSCA) under the SEZ Act, 2005 is also the part of the SWITS and is integrated with the SEZ Online System.
- 1.3. Apart from this, the SWITS also integrates within itself a No objection Certificate (NoC) processing module that will ease the process of obtaining NOCs, wherever necessary, from the appropriate regulators viz. RBI, SEBI or IRDAI. In addition, SWITS also provides the facility for an entity to apply for Goods and Services Tax Number (GSTN), thereby simplifying the tax registration for businesses. Further, SWITS also enables the online payment of fees in USD for entities desirous of setting up operations in IFSC.
- 1.4. The link for accessing the SWITS platform is <https://swit.ifsc.gov.in>.
- 1.5. An entity desirous of seeking registration as an Investment Adviser with the Authority shall submit/file its applications exclusively through SWITS²³ for seeking-
 - 1.5.1. Registration as an Investment Adviser under the provisions of the CMI Regulations;
 - 1.5.2. Approvals from SEZ Authorities and registration from GSTN; and
 - 1.5.3. NoC/requisite approval from appropriate regulators.
- 1.6. For more details, please refer to the circular titled "[Single Window IT System inter-alia for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI](#)" issued by IFSCA on September 30, 2024 in this regard.

2. Payment of Fees

- 2.1. An applicant seeking registration as Investment Adviser under the CMI Regulations shall pay the application fee, as specified in Schedule-I of the circular titled "[Fee](#)

²³ Regulation 5 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

[structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#) (“IFSCA Fee Circular”) dated April 08, 2025, read with circular titled “[Clarifications on the Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#)” dated April 23, 2025, at the time of making an application to the Authority. If an application is not accompanied by the mandated application fee, such an application shall not be considered by the Authority.

- 2.2. On intimation of the decision by the Authority to grant in-principle approval, the applicant shall, within 15 days of such an intimation, pay the applicable registration fees as specified in Schedule-I of the IFSCA Fee Circular.
- 2.3. In those cases where the applicant fails to pay the requisite registration fees within the specified time, it shall be presumed that the applicant does not wish to continue the process. In such a case, the Authority may at its discretion reject the application. An application once rejected, shall be treated as non-est. The rejection of the application, however, shall not render the entity ineligible for making a fresh application.
- 2.4. In case the Authority decides not to grant a registration to an applicant to whom a provisional / in-principle approval has been granted, the fees paid by the applicant towards obtaining licence, registration, recognition or authorization fee shall not be refunded.
- 2.5. The fees as specified in the Schedule-I of the IFSCA Fee Circular shall be paid to the following account of the Authority in USD:

Account Name: **International Financial Services Centres Authority**

Account Number: **970105000174**

Type of Account: **USD Current Account**

Bank Name: **ICICI Bank Limited**

SWIFT Code: **ICICINAAXXX**

NOSTRO Details: **CHASUS33XXX**

JP MORGAN CHASE BANK NA, NEWYORK, USA

Account no: 833999532

2. An applicant **from India (other than an entity already set up in IFSC)** desirous of getting registration from the Authority shall have the option to pay **only the application fee and registration fee**, as specified in the Schedule-I of the IFSCA Fee Circular, in **INR** into the following account of the Authority:

Account Name: **IFSCA FUND 2**

Account Number: **39907189884**

Name of the Bank: **State Bank of India**

Type of Account: **INR Current Account**

IFSC Code: **SBIN0060228**

- 2.6. For the entities remitting the fees in INR, the RBI reference rate for USD-INR, for the date on which the remittance is being made, shall be applicable. The RBI reference rate is available at the URL:

<https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>

- 2.7. The applicable fee shall be paid in full, as indicated in the IFSCA Fee Circular circular, net of any deductions or charges. All applicable charges towards remittance of the amount shall be borne by the applicant / Investment Adviser.
- 2.8. After the payment of the applicable fees, the applicant / Investment Adviser shall submit the documentary evidence of such a payment to the Authority, along with the details of such a payment in the form and manner specified at Schedule-II of the IFSCA Fee Circular.
- 2.9. All dues or fees payable to the Authority shall be paid by the applicant / Investment Adviser either from the bank account of the entity or that of its KMPs. In case the payment has been made from the account of the KMPs, the same shall be informed to the Authority during submission of the documentary evidence. However, in case of an initial payment of application and registration fee, such an amount can be paid either by the parent or the promoter of the applicant.
- 2.10. An Investment Adviser registered with the Authority shall pay annual fee and other applicable fees in accordance with the IFSCA Fee Circular.

CHAPTER - 2: VALIDITY OF REGISTRATION

3. Certificate of Registration

- 3.1. The certificate of registration granted to an Investment Adviser shall be perpetual unless it is suspended or cancelled by the Authority.²⁴
- 3.2. An investment adviser shall, at all times, ensure that it holds valid and subsisting:
 - 3.2.1. Certificate of Registration issued by the Authority under the CMI Regulations; and
 - 3.2.2. Letter of Approval (LoA) under the Special Economic Zones Act, 2005.
- 3.3. It may also be noted that the expiry of the Letter of Approval (having validity of 1 year, if business not commenced; or 5 years, after commencement of business) or failure to renew it in a timely manner, may lead to appropriate enforcement action, including cancellation of the registration granted under the CMI Regulations.
- 3.4. An Investment Adviser shall ensure compliance with the Circular titled “[Direction for all Regulated Entities](#)” dated April 03, 2025 issued by the Authority.

²⁴ Regulation 13 of IFSCA (Capital Market Intermediaries) Regulations, 2025

CHAPTER - 3: PERMISSIBLE ACTIVITIES

4. Permissible Activities

- 4.1. An Investment Adviser registered with the Authority ("the Investment Adviser") under the CMI Regulations may provide "investment advice²⁵" to its clients in India, IFSC or a Foreign Jurisdiction:

Provided that an Investment Adviser shall provide any investment advice to a resident Indian only for investments in IFSC and/or Foreign Jurisdiction as permitted under the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder.

- 4.2. The Investment Adviser shall obtain registration, authorisation or license, as applicable, from the Authority under appropriate Regulations for undertaking any other activity in the IFSC.

²⁵ As defined under clause (y) of sub-regulation (1) of regulation 3, of the IFSCA (Capital Market Intermediaries) Regulations, 2025

CHAPTER - 4: GOVERNANCE²⁶

5. Principal Officer

- 5.1. The Investment Adviser shall have a Principal Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.
- 5.2. The Principal Officer shall be responsible for overall activities of an Investment Adviser in the IFSC.
- 5.3. Where an Investment Adviser is having multiple registrations under the CMI Regulations, a separate principal officer shall be appointed/ designated for its investment advisory activities.

6. Compliance Officer

- 6.1. The Investment Adviser shall have a Compliance Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.
- 6.2. Where an Investment Adviser is having multiple registrations under the CMI Regulations, the entity may have the same person as compliance officer for ensuring compliances with all the applicable regulatory and legal requirements for its activities as capital market intermediary in the IFSC.

²⁶ Regulation 9 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

CHAPTER - 5: CODE OF CONDUCT

7. Code of Conduct

- 7.1. The Investment Adviser shall establish a Code of Conduct based on Schedule II of the CMI Regulations.

CHAPTER - 6: KYC AML & CFT GUIDELINES

8. KYC AML & CFT Guidelines

- 8.1. The Investment Adviser shall comply with the IFSCA (Anti Money Laundering, Counter Terrorist-Financing and Know Your Customer) Guidelines, 2022 (as amended) and circulars and directions issued thereunder by the Authority from time to time.
- 8.2. The Investment Adviser shall ensure that the registration on FIU-IND FINGate 2.0 portal ('FIU-IND Portal') is completed prior to commencement of business and in case of an urgency to commence business, the registration shall be completed within 30 days from the date of commencement of business.
- 8.3. The Investment Adviser shall also ensure that any addition or modification to their Line of Business is updated on the FIU-IND portal within a period of thirty days from the date of commencement of such an additional Line of Business.
- 8.4. The Investment Adviser shall comply with the circular titled "[Registration on FIU-IND FINGate 2.0 portal for compliance with International Financial Services Centres Authority \(Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer\) Guidelines, 2022](#)" issued by the Authority on February 25, 2025 and such other guidelines issued by the Authority from time to time.

CHAPTER - 7: GENERAL GUIDELINES FOR INVESTMENT ADVISERS

9. Investment Adviser and Distributors

9.1. An Investment Adviser carrying out both “Investment Advisory” services and “Distribution” Services shall seek registration of the Authority separately in accordance with the requirements specified in the CMI Regulations and shall also take prior approval of IFSCA Administrator under SEZ Act, 2005 before commencing such additional services. Further, such Investment Adviser shall comply with the following guidelines:

9.1.1. In terms of regulation 34(11) of the CMI Regulations, an Investment Adviser shall maintain an arm’s length relationship between its activities as Investment Adviser and distributor by providing advisory services through a separately identifiable department or division, including separate manpower for conduct of these activities.

9.1.2. In terms of regulation 34(10) of the CMI Regulations, an Investment Adviser shall have client level segregation for Investment Advisory and distribution services. Accordingly, a client shall be eligible to be onboarded only one of the verticals i.e. either investment advisory or distribution services.

10. Agreement with Client

10.1. The Investment Adviser shall enter into an agreement with its client covering terms and conditions of the services offered, fees, scope of services, risk factors, etc. and such agreement shall be in compliance with the applicable norms and requirements provided under the CMI Regulations.

11. Risk Profiling

11.1. The Investment Adviser shall conduct risk profiling of each client based on the information provided by the client and the risk the client is willing to take to ensure that the investment of client is consistent with client’s investment objectives and financial position. Such risk profiling shall be in accordance with regulation 34(8) of the CMI Regulations, i.e.:

11.1.1. An Investment adviser shall obtain such information from the client as is necessary for the purpose of giving investment advice;

11.1.2. An Investment Adviser shall have a process for assessing the risk a client is willing and able to take;

11.1.3. The risk profile of the client shall be communicated to the client after completion of risk assessment; and

11.1.4. The information provided by clients and their risk assessments shall be updated periodically.

12.Implementation Services

12.1. In terms of regulation 34 (12) of the CMI Regulations, an Investment Adviser may provide implementation services to its advisory clients in securities market:

Provided that an Investment Adviser shall ensure the following:

- a. the potential conflicts of interest, if any, are adequately disclosed to its clients; and
- b. the fee charged, if any, for the implementation services is pursuant to an agreement with its clients and disclosed in a transparent manner.

12.2. Further, in terms of regulation 34(13) of the CMI Regulations, the client shall not be under any obligation to avail implementation services offered by an Investment Adviser.

13.Investment Targets

13.1. The Investment Adviser shall not, while providing services to the client, present any investment advice that suggests guaranteed returns, minimum returns, target returns, or any specific percentage of accuracy.

13.2. Additionally, the Investment Adviser shall not imply that the services will continue until target returns are achieved or use any terminology that may lead the client to believe that an investment advice is free from risks, unaffected by market conditions, or capable of generating returns with certainty.

14.Maintenance of Client's records

14.1. The Investment Adviser shall maintain and preserve books of account, records and documents, in electronic retrieval form for a minimum of eight years in terms of the requirements specified under regulation 16 of the CMI Regulations.

14.2. The Investment Adviser shall maintain relevant records and documents relating to its investment advisory activities including agreements with client, risk assessments, investment advice analysis reports etc. in electronic retrieval form for a minimum of eight years.

CHAPTER - 8: DEALING WITH CONFLICTS OF INTEREST

15. Conflicts of Interest

- 15.1. In terms of Code of Conduct provided under Schedule II of the CMI Regulations, an Investment Adviser shall avoid conflict of interest and make adequate disclosure of its possible conflict of interest and duties and shall put in place a mechanism to resolve any conflict-of-interest situation.
- 15.2. As specified in the 34(2) of the CMI Regulations, the investment adviser shall make the following disclosures to its clients:
- 15.2.1. its holding or position, if any, in the financial products or securities which are subject matter of advice;
 - 15.2.2. any potential or actual conflict of interest arising from any connection to or association with any issuer of products/securities;
 - 15.2.3. all material facts relating to the key features of the products or securities, particularly performance track record; and
 - 15.2.4. warnings, disclaimers in documents and advertising materials relating to an investment product which it is recommending to the client.
- 15.3. Additionally, in terms of 34(3) of the CMI Regulations, the Investment Adviser shall act in a fiduciary capacity towards its clients and shall disclose all conflicts of interest as and when they arise.
- 15.4. Further, the Investment Adviser shall maintain an arm's-length relationship between its activities as an Investment Adviser and its other activities as specified in the 34(5) of the CMI Regulations.

CHAPTER - 9: OUTSOURCING OF ACTIVITIES

16.Outsourcing

- 16.1. In terms of Code of Conduct provided under Schedule II of the CMI Regulations, the Investment Advisers are required to have an internal policy for outsourcing of its activities from outside of IFSC.
- 16.2. The Investment Adviser shall have an internal policy on outsourcing of activities prior to commencement of operations and the Investment Adviser shall ensure compliance with the policy at all times.

CHAPTER - 10: COMPLAINT HANDLING AND GRIEVANCE REDRESSAL

17. Complaint Handling and Grievance Redressal

- 17.1. Regulation 18 of the CMI Regulations require that the capital market intermediaries in the IFSC shall take adequate steps for redress of grievances of the investors in accordance with the requirements as may be specified by the Authority.
- 17.2. An Investment Adviser shall comply with the applicable norms and requirements relating to handling of consumer complaints specified by the Authority by way of circular titled [Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC](#) dated December 02, 2024 read with circular titled [“Extension of timeline for implementation of the Circular titled “Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC” dated December 02, 2024”](#) issued on January 13, 2025.

CHAPTER - 11: CHANGE IN CONTROL

18.Change in control

18.1.Investment Adviser operating in the IFSC in Branch Structure

- 18.1.1. In terms of regulation 23(1) of the CMI Regulations, the Investment Adviser shall intimate the Authority, within fifteen days of any direct or indirect change in control of the intermediary.

18.2.Investment Advisers incorporated in the IFSC

- 18.2.1. In terms of regulation 23(2) of the CMI Regulations, the Investment Adviser shall seek prior approval of the Authority, in case of any direct or indirect change in control of the entity.

18.3.Information to be submitted while seeking prior approval or submitting intimation regarding change in control

- 18.3.1. The Investment Adviser shall provide the following information while submitting application for seeking prior approval of IFSCA or submitting intimation to IFSCA regarding change in control:
- 18.3.1.1. Details of new shareholders / entities exercising control over the entity along with number of shares, per cent. of shares etc.;
 - 18.3.1.2. A declaration that the new shareholders/ entities exercising control are “fit and proper” in accordance with the criteria specified under regulation 8 of the CMI Regulations;
 - 18.3.1.3. Details of any material regulatory action taken or pending against the Investment Adviser or any of its controlling shareholder or director / designated partner by any financial sector regulator in the last three years;
 - 18.3.1.4. A confirmation that all fees due to IFSCA as per the IFSCA Fee Circular has been paid;
 - 18.3.1.5. Number of investor complaints pending, if any, at the time of filing application/ intimation;
 - 18.3.1.6. Details of ongoing material litigations, if any; and
 - 18.3.1.7. Copies of board resolution and shareholder resolution, as applicable, relating to change in control.

CHAPTER - 12: PERIODIC REPORTING

19. Quarterly Reporting

- 19.1. The Investment Adviser shall submit reports to the Authority on a quarterly basis in accordance with the requirements specified under the circular titled [Reporting Norms for Capital Market Intermediaries](#) dated February 08, 2024 (as amended from time to time).
- 19.2. The Investment Adviser shall furnish such information, documents, or records as may be specified by the Authority from time to time.

20. Annual Compliance Audit

- 20.1. In terms of regulation 25 of the CMI Regulations, the Investment Adviser shall have an annual audit conducted in respect of compliance with the CMI Regulations by a member of the Institute of Chartered Accountants of India or a member of the Institute of Company Secretaries of India or a member of the Institute of Cost Accountants of India or any person authorised to conduct audit in a Foreign Jurisdiction.
- 20.2. A copy of such compliance audit report for a financial year shall be furnished to the Authority by the 30th of September of such year.
- 20.3. The Investment Adviser shall have additional audits and submit such reports as may be specified by the Authority from time to time.

CHAPTER - 13: CYBER SECURITY AND CYBER RESILIENCE

21. Cyber Security and Cyber Resilience

- 21.1. In terms of regulation 21 of the CMI Regulations, the Investment Adviser shall have robust cyber security and cyber resilience framework in accordance with the requirements as may be specified by the Authority.
- 21.2. The Investment Adviser shall comply with the guidelines specified under the circular titled [Guidelines on Cyber Security and Cyber Resilience for Regulated Entities in IFSCs](#) dated March 10, 2025. As mentioned in the said circular, the implementation of these Guidelines shall be undertaken in accordance with the principle of proportionality, after taking into due consideration:
- 21.2.1. the scale and complexity of operations;
 - 21.2.2. the nature of the activity the entity is engaged in;
 - 21.2.3. its interconnectedness with the financial ecosystem; and
 - 21.2.4. the corresponding cyber risks the entity is exposed to.

CHAPTER - 14: SURRENDER OF REGISTRATION

22.Surrender of Registration

22.1. In terms of regulation 14 of the CMI Regulations, an Investment Adviser may file an application with the Authority for surrender of its registration.

22.2. The Investment Adviser shall provide the following information while submitting application for surrender of registration:

22.2.1. Details of registration;

22.2.2. Original Certificate of Registration (if issued in physical form);

22.2.3. List of all activities that are being carried out by the entity;

22.2.4. Details of registration in any other capacity with IFSCA;

22.2.5. List of controlling shareholders and directors/ designated partners;

22.2.6. Details of any material regulatory action taken or pending against the Investment Adviser or any of its controlling shareholder or director/ designated partner by any financial sector regulator in the last three years;

22.2.7. Details of ongoing material litigations, if any;

22.2.8. Copies of board resolution and shareholder resolution, as applicable, relating to surrender of registration;

22.2.9. Reasons for surrender of registration; and

22.2.10. Undertakings as under:

Whether any disciplinary proceeding is pending against the Applicant	
Whether any investigation/adjudication/ enquiry by IFSCA is pending against the applicant or its controlling shareholders and directors / designated partners	
Whether as on date of application all fees have been paid and also mention the date of next due date of payment of fee	
Whether any arrangements made by the applicant for maintenance and preservation of records and other documents required to be maintained under the relevant regulations /guidelines of IFSCA	

Whether any arrangements made to transfer its activities to another intermediary holding a valid certificate of registration to carry on such activity	
Whether there are any investor complaints pending against the applicant as on the date of application	

Annexure – F



MASTER CIRCULAR

e.File No...

July__, 2025

To,

**All Investment Bankers in the International Financial Services Centre (IFSC)
All recognised stock exchanges in the IFSC**

Madam/Sir,

Sub: Master Circular for Investment Bankers

1. The IFSCA has notified International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025 (“CMI Regulations”) with the objective of providing the regulatory framework for registration, regulation and supervision of capital market intermediaries operating in the international financial services centres in India. In order to enable the stakeholders to have access to various requirements including instructions or directions issued under CMI Regulations at one place, this Master Circular in respect of Investment Banker has been prepared.
2. With the issuance of this Master Circular, the circular titled “*Investment banking in the IFSC*” dated December 03, 2021 shall stand superseded.
3. Notwithstanding such supersession,
 - a. anything done or any action taken or purported to have been done or taken under the superseded Circular, prior to such supersession, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular;
 - b. any application made to the Authority under the superseded Circular, prior to such supersession, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular.
4. This Master Circular is being issued in exercise of powers conferred by Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019, read with

regulation 45 of the CMI Regulations and shall come into force from the date of its issuance.

A copy of this circular is available on the website of the International Financial Services Centres Authority at www.ifsc.gov.in.

Yours faithfully,

Arjun Prasad
General Manager
arjun.pd@ifsc.gov.in

Master Circular for Investment Bankers

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CHAPTER - 1: REGISTRATION PROCESS

1. Application through SWIT System

- 1.1 The Hon'ble Finance Minister, in the Union Budget for FY 2023-24 announced - *"Implementation of a single window IT-enabled system for application processing of entities desirous of setting up operations in GIFT IFSC to improve the Ease of Doing Business (EoDB)."*
- 1.2 Towards this end, IFSCA has operationalised a Single Window IT System (SWIT System/ SWITS), which, inter-alia, contains a Common Application Form (CAF), created by merging several existing forms including business-specific Annexure Forms. The SWITS aims to harmonise and simplify the process of submission of application under the Acts specified under the First Schedule of the IFSCA Act, 2019, including any regulations or framework issued thereunder, in addition to the Special Economic Zones (SEZ) Act, 2005. The Application Form (Form-FA) for seeking Letter of Approval (LoA) from the Administrator (IFSCA) under the SEZ Act, 2005 is also the part of the SWITS and is integrated with the SEZ Online System.
- 1.3 Apart from this, the SWITS also integrates within itself a No objection Certificate (NoC) processing module that ease the process of obtaining NoCs, wherever necessary, from the appropriate regulators viz. RBI, SEBI or IRDAI. Therefore, for entity who is registered with SEBI, a No objection Certificate (NoC) from SEBI can be obtained through the SWITS. In addition, SWITS also provides the facility for an entity to apply for Goods and Services Tax Number (GSTN), thereby simplifying the tax registration for businesses. Further, SWITS also enables the online payment of fees in USD for entities desirous of setting up operations in IFSC.
- 1.4 The link for accessing the SWITS platform is <https://swit.ifsc.gov.in>.
- 1.5 An entity desirous of seeking registration as an Investment Banker with the Authority shall submit/file its applications exclusively through SWITS²⁷ for seeking-
 - 1.5.1 Registration as an Investment Banker under the provisions of the CMI Regulations;
 - 1.5.2 Approvals from SEZ Authorities and registration from GSTN; and
 - 1.5.3 NoC/requisite approval from appropriate regulators.
- 1.6 For more details, please refer to the circular titled "[Single Window IT System inter-alia for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI](#)" issued by IFSCA on September 30, 2024 in this regard.

²⁷ Regulation 5 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

2. Payment of Fees

- 2.1 An applicant seeking registration as an Investment Banker under the CMI Regulations shall pay the application fee, as specified in Schedule-I of the circular titled "[Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#)" ("IFSCA Fee Circular") dated April 08, 2025, read with circular titled "[Clarifications on the Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#)" dated April 23, 2025, at the time of making an application to the Authority. If an application is not accompanied by the mandated application fee, such an application shall not be considered by the Authority.
- 2.2 On intimation of the decision by the Authority to grant in-principle approval, the applicant shall, within 15 days of such an intimation, pay the applicable registration fees as specified in Schedule-I of the IFSCA Fee Circular.
- 2.3 In those cases where the applicant fails to pay the requisite registration fees within the specified time, it shall be presumed that the applicant does not wish to continue the process. In such a case, the Authority may at its discretion reject the application. An application once rejected, shall be treated as non-est. The rejection of the application, however, shall not render the entity ineligible for making a fresh application.
- 2.4 In case the Authority decides not to grant registration to an applicant to whom a provisional / in-principle approval has been granted, the fees paid by the applicant towards obtaining licence, registration, recognition or authorization fee shall not be refunded.
- 2.5 The fees as specified in the Schedule-I of the IFSCA Fee Circular shall be paid to the following account of the Authority in USD:

Account Name: **International Financial Services Centres Authority**

Account Number: **970105000174**

Type of Account: **USD Current Account**

Bank Name: **ICICI Bank Limited**

SWIFT Code: **ICICINAAXXX**

NOSTRO Details: **CHASUS33XXX**

JP MORGAN CHASE BANK NA, NEWYORK, USA

Account no: 833999532

- 2.6 An applicant **from India (other than an entity already set up in IFSC)** desirous of getting registration from the Authority shall have the option to pay **only the application fee and registration fee**, as specified in the Schedule-I of the IFSCA Fee Circular, in **INR** into the following account of the Authority:

Account Name: **IFSCA FUND 2**

Account Number: **39907189884**

Name of the Bank: **State Bank of India**
Type of Account: **INR Current Account**
IFSC Code: **SBIN0060228**

- 2.7 For the entities remitting the fees in INR, the RBI reference rate for USD-INR, for the date on which the remittance is being made, shall be applicable. The RBI reference rate is available at the URL:
- <https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>
- 2.8 The applicable fee shall be paid in full, as indicated in Schedule-I of the IFSCA Fee Circular, net of any deductions or charges. All applicable charges towards remittance of the amount, shall be borne by the applicant /Investment Banker.
- 2.9 After the payment of the applicable fees, the applicant / Investment Banker shall submit the documentary evidence of such a payment to the Authority, along with the details of such payment in the form and manner specified at Schedule-II of the IFSCA Fee Circular.
- 2.10 All dues or fees payable to the Authority shall be paid by the applicant / Investment Banker either from the bank account of the entity or that of its KMPs. In case the payment has been made from the account of the KMPs, the same shall be informed to the Authority during submission of the documentary evidence. However, in case of an initial payment of application and registration fee, such amount can be paid either by the parent or the promoter of the applicant.
- 2.11 An Investment Banker registered or Authorised with the Authority shall pay annual fee and other applicable fees in accordance with the IFSCA Fee Circular.

CHAPTER - 2: VALIDITY OF REGISTRATION

3. Certificate of Registration

- 3.1 The certificate of registration granted to an Investment Banker shall be perpetual, unless it is suspended or cancelled by the Authority²⁸.
- 3.2 The Investment Banker shall, at all times, ensure that it holds valid and subsisting²⁹:
 - 3.2.1 Certificate of Registration issued by the Authority under the CMI Regulations; and
 - 3.2.2 Letter of Approval (LoA) under the Special Economic Zones Act, 2005.
- 3.3 It may also be noted that the expiry of the Letter of Approval (having validity of 1 year, if business not commenced; or 5 years, after commencement of business) or failure to renew it in a timely manner, may lead to appropriate enforcement action, including cancellation of the registration granted under the CMI Regulations.
- 3.4 The Investment Banker shall ensure compliance with the Circular titled “[Direction for all Regulated Entities](#)” dated April 03, 2025 issued by the Authority.

²⁸ Regulation 13 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

²⁹ Reference: IFSCA Circular No. IFSCA-LPRA/9/2024-Legal and Regulatory Affairs dated April 03, 2025.

CHAPTER - 3: IBUs authorised to operate as Investment Bankers

4. IBUs authorised to operate as Investment Bankers

- 4.1 In terms of regulation 4(3) of the CMI Regulations, a Banking Unit may act as an investment banker subject to authorisation in accordance with the requirements specified by the Authority under the CMI Regulations.

Explanation: For removal of doubt, it is hereby clarified that the Banking Unit may act as Investment Banker upon receipt of the letter of authorisation from the Authority.

- 4.2 A Banking Unit desirous of obtaining an authorisation as an Investment Banker shall submit an application, along with applicable fee to the Authority in the format provided at **Annexure**.
- 4.3 The Banking Unit operating as an Investment Banker shall comply with all the provisions applicable to an Investment Banker in the IFSC, including obligations and responsibilities specified in the CMI Regulations, the requirements specified in this circular, and such requirements as may be specified by the Authority from time to time.
- 4.4 The Banking Unit shall maintain an arm's length relationship between its investment banking activity and other activities³⁰.

³⁰ Schedule II of the IFSCA (Capital Market Intermediaries) Regulations, 2025.

CHAPTER - 4: PERMISSIBLE ACTIVITIES

5. Permissible Activities

- 5.1 An Investment Banker authorised or registered with the Authority (“the Investment Banker”) is permitted to carry out the following activities in IFSC and Foreign Jurisdiction:
 - 5.1.1 Managing issue of securities and permitted financial products;
 - 5.1.2 Managing offers by listed issuers such as buy-backs, delisting, open offers etc.;
 - 5.1.3 Underwriting;
 - 5.1.4 Private placement of securities listed or proposed to be listed;
 - 5.1.5 Advisory or consulting services incidental to above mentioned activities;
 - 5.1.6 Arrangers for debt listing; and
 - 5.1.7 Other allied activities relating to investment banking such as advisory for mergers & acquisitions, corporate restructuring, arranging finance, debt syndication etc.
- 5.2 The Investment Banker shall obtain registration, authorisation or license, as applicable, from the Authority under appropriate regulations for undertaking any other activity in the IFSC.

CHAPTER – 5: GOVERNANCE³¹

6. Principal Officer

- 6.1 The Investment Banker shall have a Principal Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.
- 6.2 The Principal Officer shall be responsible for overall activities of the Investment Banker in the IFSC.
- 6.3 Where a Banking Unit is authorised as an Investment Banker, the entity may have the same person as principal officer for both the activities.

7. Compliance Officer

- 7.1 The Investment Banker shall have a Compliance Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.
- 7.2 Where a Banking Unit is authorised as an Investment Banker, the entity may have the same person as compliance officer for both the activities.

³¹ Regulation 9 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

CHAPTER - 6: KYC AML & CFT GUIDELINES

8. KYC AML & CFT Guidelines

- 8.1 The Investment Banker shall comply with the IFSCA (Anti Money Laundering, Counter Terrorist-Financing and Know Your Customer) Guidelines, 2022 (as amended) and circulars or directions issued thereunder by the Authority from time to time.
- 8.2 The Investment Banker shall ensure that the registration on FIU-IND FINGate 2.0 portal ('FIU-IND Portal') is completed prior to commencement of business and in case of an urgency to commence business, the registration shall be completed within 30 days from the date of commencement of business.
- 8.3 The Investment Banker shall also ensure that any addition or modification to their Line of Business is updated on the FIU-IND portal within a period of thirty days from the date of commencement of such an additional Line of Business.
- 8.4 The Investment Banker shall comply with the circular titled "[Registration on FIU-IND FINGate 2.0 portal for compliance with International Financial Services Centres Authority \(Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer\) Guidelines, 2022](#)" issued by the Authority on February 25, 2025 and such other guidelines issued by the Authority from time to time.

CHAPTER - 7: Code of Conduct

9. Code Of Conduct

- 9.1 The Investment Banker shall abide by the Code of Conduct specified in Schedule II of the CMI Regulations.

CHAPTER - 8: Responsibilities³²

10. Agreement

- 10.1 The Investment Banker shall enter into an agreement with the issuer of securities specifying the roles and responsibilities of the investment banker in the issue. Where there is more than one lead investment banker to the issue, the responsibilities of each of such lead investment banker shall be clearly demarcated.

11. Dealing with Conflicts of Interest

- 11.1 The Investment Banker shall not undertake any activity, except for marketing of the issue or offer, if the investment banker is a promoter or an associate of the issuer of securities or of any person making an offer to sell or purchase securities in terms of any regulations made by the Authority.
- 11.2 The Investment Banker shall have policies and internal procedures to identify and manage actual or potential conflict of interest in the performance of its activities.
- 11.3 The Investment Banker shall:
- 11.3.1 maintain high standards of integrity in the conduct of its business;
 - 11.3.2 ensure that the personal interests of the KMPs or senior officials do not, at any time, conflict with their duty to their clients and client's interest always takes primacy in their advice, investment decisions and transactions;
 - 11.3.3 make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair their ability to render fair, objective and unbiased services;
 - 11.3.4 endeavor to reduce opportunities for conflict through prescriptive measures such as through information barriers to block or hinder the flow of information from one department/ unit to another, etc.; and
 - 11.3.5 place appropriate restrictions on transactions in securities while handling a mandate of issuer or client in respect of such security so as to avoid any conflict.

12. Prohibition on Insider Trading

- 12.1 No investment banker or any of its principal officer, directors, partner or manager shall either on their respective accounts or through their associates or relatives enter into any transaction in securities of issuer on the basis of unpublished price sensitive information obtained by them in the course of any professional assignment.

³² Regulation 35 and Schedule II of the IFSCA (Capital Market Intermediaries) Regulations, 2025.

13.Underwriting

13.1 An investment banker may act as an underwriter of an issue in an IFSC, subject to the following conditions:

13.1.1 An investment banker acting as an underwriter, shall enter into an agreement with the issuer of securities, on whose behalf it is acting as an underwriter, which shall have the understanding in relation to amount of underwriting obligations and commission, allocation of duties and responsibilities, timelines and other relevant details.

13.1.2 At any point of time, the total underwriting obligations under all the agreements shall not exceed twenty times the net worth of the investment banker.

CHAPTER - 9: INTERNAL POLICY ON OUTSOURCING OF ACTIVITIES

14.Outsourcing

- 14.1 In terms of Code of Conduct provided under Schedule II of the CMI Regulations, the Investment Bankers are required to have an internal policy for outsourcing of its activities from outside of IFSC.
- 14.2 The Investment Banker shall have an internal policy on outsourcing of activities prior to commencement of operations and the Investment Banker shall ensure compliance with the policy at all times.

CHAPTER - 10: COMPLAINT HANDLING AND GRIEVANCE REDRESSAL

15. Complaint Handling and Grievance Redressal

- 15.1 Regulation 18 of the CMI Regulations require that the capital market intermediaries in the IFSC shall take adequate steps for redress of grievances of the investors in accordance with the requirements as may be specified by the Authority.
- 15.2 The Investment Banker shall comply with the applicable norms and requirements relating to handling of consumer complaints specified by the Authority by way of circular titled [Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC](#) dated December 02, 2024 read with circular titled [“Extension of timeline for implementation of the Circular titled “Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC” dated December 02, 2024”](#) issued on January 13, 2025.

CHAPTER - 11: CHANGE IN CONTROL

16.Branch Structure

16.1 In terms of regulation 23(1) of the CMI Regulations, the Investment Banker shall intimate the Authority, within fifteen days of any direct or indirect change in control of the intermediary.

17.Incorporated in the IFSC

17.1 In terms of regulation 23(2) of the CMI Regulations, the Investment Banker shall seek prior approval of the Authority, in case of any direct or indirect change in control of the entity.

18.Information to be submitted while seeking prior approval or submitting intimation regarding change in control

18.1 The Investment Banker shall provide the following information while submitting application for seeking prior approval of IFSCA or submitting intimation to IFSCA regarding change in control:

- 18.1.1 Details of new shareholders / entities exercising control over the entity along with number of shares, per cent. of shares etc.;
- 18.1.2 A declaration that the new shareholders/ entities exercising control are “fit and proper” in accordance with the criteria specified under regulation 8 of the CMI Regulations;
- 18.1.3 Details of any material regulatory action taken or pending against the entity or any of its controlling shareholder or director/ designated partner by any financial sector regulator in the last three years;
- 18.1.4 A confirmation that all fees due to IFSCA as per the IFSCA Fee Circular has been paid;
- 18.1.5 Number of investor complaints pending, if any, at the time of filing application/ intimation;
- 18.1.6 Details of ongoing material litigations, if any; and
- 18.1.7 Copies of board resolution and shareholder resolution, as applicable, relating to change in control.

CHAPTER - 12: PERIODIC REPORTING

19. Quarterly Reporting

- 19.1 The Investment Banker shall submit reports to the Authority on a quarterly basis in accordance with the requirements specified under the circular titled [Reporting Norms for Capital Market Intermediaries](#) dated February 08, 2024 (as amended from time to time).
- 19.2 The Investment Banker shall furnish such information, documents, or records as may be specified by the Authority from time to time.

20. Annual Compliance Audit

- 20.1 In terms of regulation 25 of the CMI Regulations, the Investment Banker shall have an annual audit conducted in respect of compliance with the CMI Regulations by a member of the Institute of Chartered Accountants of India or a member of the Institute of Company Secretaries of India or a member of the Institute of Cost Accountants of India or any person authorised to conduct audit in a Foreign Jurisdiction.
- 20.2 A copy of such compliance audit report for a financial year shall be furnished to the Authority by the 30th of September of such year.
- 20.3 The Investment Banker shall have additional audits and submit such reports as may be specified by the Authority from time to time.

21. Event based³³

- 21.1 The Investment Banker shall submit to the Authority complete particulars of any transaction for acquisition of securities of any body corporate whose issue is being managed by that investment banker within fifteen days from the date of entering into such transaction.

³³ Regulation 35(5) of the IFSCA (Capital Market Intermediaries) Regulations, 2025.

CHAPTER - 13: CYBER SECURITY AND CYBER RESILIENCE

22. Cyber Security and Cyber Resilience

- 22.1 In terms of regulation 21 of the CMI Regulations, the Investment Banker shall have robust cyber security and cyber resilience framework in accordance with the requirements as may be specified by the Authority.
- 22.2 The Investment Banker shall comply with the guidelines specified under the circular titled [Guidelines on Cyber Security and Cyber Resilience for Regulated Entities in IFSCs](#) dated March 10, 2025. As mentioned in the said circular, the implementation of these Guidelines shall be undertaken in accordance with the principle of proportionality, after taking into due consideration:
- 22.2.1 the scale and complexity of operations;
 - 22.2.2 the nature of the activity the entity is engaged in;
 - 22.2.3 its interconnectedness with the financial ecosystem; and
 - 22.2.4 the corresponding cyber risks the entity is exposed to.

CHAPTER - 14: SURRENDER OF REGISTRATION

23.Surrender of Registration

23.1 In terms of regulation 14 of the CMI Regulations, an Investment Banker may file an application with the Authority for surrender of its registration.

23.2 The Investment Banker shall provide the following information while submitting application for surrender of registration:

23.2.1 Details of registration;

23.2.2 Original Certificate of Registration (if issued in physical form);

23.2.3 List of all activities that are being carried out by the entity;

23.2.4 Details of registration in any other capacity with IFSCA;

23.2.5 List of controlling shareholders and directors/ designated partners;

23.2.6 Details of any material regulatory action taken or pending against the Investment Banker or any of its controlling shareholder or director/ designated partner by any financial sector regulator in the last three years;

23.2.7 Details of ongoing material litigations, if any;

23.2.8 Copies of board resolution and shareholder resolution, as applicable, relating to surrender of registration;

23.2.9 Reasons for surrender of registration; and

23.2.10 Undertakings as under:

Whether any disciplinary proceeding is pending against the applicant	
Whether any investigation/adjudication/ enquiry by IFSCA is pending against the applicant or its controlling shareholders and directors / designated partners	
Whether as on date of application all fees have been paid and also mention the date of next due date of payment of fee	
Whether any arrangements made by the applicant for maintenance and preservation of records and other documents required to be maintained under the relevant regulations /guidelines/circulars/directions issued by IFSCA	

Whether any arrangements made to transfer its activities to another intermediary holding a valid certificate of registration to carry on such activity	
Whether there are any investor complaints pending against the applicant as on the date of application	

Appendix

Format for submitting application for Authorisation as Investment Banker

S. No.	Particulars	Details
1. Details of the Banking Unit		
1.1	Name	
1.2	IFSCA Licence No. (Provide a copy of the Licence granted by IFSCA)	
1.3	Conditions, if any, stipulated by IFSCA (Provide a copy of the cover letter issued by IFSCA along with the Licence)	
2. Investment Banking business proposed to be undertaken		
2.1	Profile (in brief) (Information shall include details of existing activities in the IFSC)	
2.2	Details of investment banking activities proposed to be undertaken in the IFSC	
3. Past Experience (if any)		
3.1	Provide details of any past experience by the applicant or any of its group/ associate company relating to investment banking in any jurisdiction	

4. Fees

Details regarding payment of fees to IFSCA

5. Declaration cum undertaking

I, (name of the person signing the document), an authorised person of M/s ____ (the Applicant), do hereby confirm, undertake and declare as follows on behalf of the Applicant:

1. I am duly authorised by the Board/Governing Body of the Applicant to make this declaration cum undertaking, for and on behalf of the Applicant.

2. I, on behalf of the Applicant, confirm, undertake and declare that:

- a) the information supplied in the application, including the attachment sheets, are true, correct and complete to our knowledge.
- b) the Applicant shall notify the International Financial Services Centres Authority (IFSCA) immediately of any material change in the information provided in this form.
- c) the Applicant shall comply with and be bound by the International Financial Services Centres Authority Act, 2019, and the regulations, circulars, guidelines, and instructions thereunder as issued by IFSCA from time to time.

For and on behalf of (Please insert name of the Applicant)

Authorised signatory

(Name)(Signature)

Date:

Place:

Annexure – G



MASTER CIRCULAR

e.File No....

July__, 2025

To,

All Research Entities in the International Financial Services Centres (IFSC)

Sir/Madam

Sub: Master Circular for Research Entities

1. The IFSCA has notified International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025 (“CMI Regulations”) with the objective of providing the regulatory framework for registration, regulation and supervision of capital market intermediaries, operating in the international financial services centres in India.
2. The Authority hereby issues this Master Circular to specify the requirements or directions on various provisions pertaining Research Entities under the CMI Regulations.
3. This Master Circular is being issued in exercise of powers conferred by Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019 read with regulation 45 of the CMI Regulations and shall come into force from the date of its issuance.

A copy of this circular is available on the website of the International Financial Services Centres Authority at www.ifsc.gov.in.

Yours faithfully,

Arjun Prasad
General Manager
arjun.pd@ifsc.gov.in

Master Circular for Research Entities

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CHAPTER - 1: REGISTRATION PROCESS

1. Application through SWIT System

- 1.1 The Hon'ble Finance Minister, in the Union Budget for FY 2023-24 announced - *"Implementation of a single window IT-enabled system for application processing of entities desirous of setting up operations in GIFT IFSC to improve the Ease of Doing Business (EoDB)."*
- 1.2 Towards this end, IFSCA has operationalised a Single Window IT System (SWIT System/ SWITS), which, inter-alia, contains a Common Application Form (CAF), created by merging several existing forms including business-specific Annexure Forms. The SWITS aims to harmonise and simplify the process of submission of application under the Acts specified under the First Schedule of the IFSCA Act, 2019, including any regulations or framework issued thereunder, in addition to the Special Economic Zones (SEZ) Act, 2005. The Application Form (Form-FA) for seeking Letter of Approval (LoA) from the Administrator (IFSCA) under the SEZ Act, 2005 is also the part of the SWITS and is integrated with the SEZ Online System.
- 1.3 Apart from this, the SWITS also integrates within itself a No objection Certificate (NoC) processing module that will ease the process of obtaining NOCs, wherever necessary, from the appropriate regulators viz. RBI, SEBI and IRDAI. In addition, SWITS also provides the facility for an entity to apply for Goods and Services Tax Number (GSTN), thereby simplifying the tax registration for businesses. Further, SWITS also enables the online payment of fees in USD for entities desirous of setting up operations in IFSC.
- 1.4 The link for accessing the SWITS platform is <https://swit.ifsc.gov.in>.
- 1.5 An entity desirous of seeking registration as a Research Entity with the Authority shall submit/file its applications exclusively through SWITS³⁴ for seeking-
 - 1.5.1 Registration as a Research Entity under the provisions of the IFSCA (Capital Market Intermediaries) Regulations, 2025
 - 1.5.2 Approvals from SEZ Authorities and registration from GSTN; and
 - 1.5.3 NoC/requisite approval from appropriate regulators.
- 1.6 For more details, please refer to the circular titled "[Single Window IT System inter-alia for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI](#)" issued by IFSCA on September 30, 2024 in this regard.

2. Payment of Fees

- 2.1 An applicant seeking registration as Research Entity under the CMI Regulations shall pay the application fee, as specified in Schedule-I of the circular titled "[Fee structure](#)

³⁴ Regulation 5 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

[for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#) (“IFSCA Fee Circular”) dated April 08, 2025, read with circular titled “[Clarifications on the Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#)” dated April 23, 2025, at the time of making an application to the Authority. If an application is not accompanied by the mandated application fee, such an application shall not be considered by the Authority.

- 2.2 On intimation of the decision by the Authority to grant in-principle approval, the applicant shall, within 15 days of such an intimation, pay the applicable registration fees as specified in Schedule-I of the IFSCA Fee Circular.
- 2.3 In those cases where the applicant fails to pay the requisite registration fees within the specified time, it shall be presumed that the applicant does not wish to continue the process. In such a case, the Authority may at its discretion reject the application. An application once rejected, shall be treated as non-est. The rejection of the application, however, shall not render the entity ineligible for making a fresh application.
- 2.4 In case the Authority decides not to grant a registration to an applicant to whom a provisional / in-principle approval has been granted, the fees paid by the applicant towards obtaining licence, registration, recognition or authorization fee shall not be refunded.
- 2.5 The fees as specified in the Schedule-I of the IFSCA Fee Circular shall be paid to the following account of the Authority in USD:

Account Name: **International Financial Services Centres Authority**

Account Number: **970105000174**

Type of Account: **USD Current Account**

Bank Name: **ICICI Bank Limited**

SWIFT Code: **ICICINAAXXX**

NOSTRO Details: **CHASUS33XXX**

JP MORGAN CHASE BANK NA, NEWYORK, USA

Account no: 833999532

- 2.6 An applicant **from India (other than an entity already set up in IFSC)** desirous of getting registration from the Authority shall have the option to pay **only the application fee and registration fee**, as specified in the Schedule-I of the IFSCA Fee Circular, in **INR** into the following account of the Authority:

Account Name: **IFSCA FUND 2**

Account Number: **39907189884**

Name of the Bank: **State Bank of India**

Type of Account: **INR Current Account**

IFSC Code: **SBIN0060228**

- 2.7 For the entities remitting the fees in INR, the RBI reference rate for USD-INR, for the date on which the remittance is being made, shall be applicable. The RBI reference rate is available at the URL:

<https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>

- 2.8 The applicable fee shall be paid in full, as indicated in the IFSCA Fee Circular, net of any deductions or charges. All applicable charges towards remittance of the amount shall be borne by the applicant / Research Entity.
- 2.9 After the payment of the applicable fees, the applicant / Research Entity shall submit the documentary evidence of such a payment to the Authority, along with the details of such a payment in the form and manner specified at Schedule-II of the IFSCA Fee Circular.
- 2.10 All dues or fees payable to the Authority shall be paid by the applicant / Research Entity either from the bank account of the entity or that of its KMPs. In case the payment has been made from the account of the KMPs, the same shall be informed to the Authority during submission of the documentary evidence. However, in case of an initial payment of application and registration fee, such an amount can be paid either by the parent or the promoter of the applicant.
- 2.11 A Research Entity shall pay annual fee and other applicable fees in accordance with the IFSCA Fee Circular.

CHAPTER - 2: VALIDITY OF REGISTRATION

3. Certificate of registration

- 3.1 The certificate of registration granted to a research entity shall be perpetual unless it is suspended or cancelled by the Authority.³⁵
- 3.2 A Research Entity shall, at all times, ensure that they hold valid and subsisting³⁶:
 - 3.2.1 Certificate of Registration issued by the Authority under the CMI Regulations; and
 - 3.2.2 Letter of Approval (LoA) under the Special Economic Zones Act, 2005.
- 3.3 It may also be noted that the expiry of the Letter of Approval (having validity of 1 year, if business not commenced; or 5 years, after commencement of business) or failure to renew it in a timely manner, may lead to appropriate enforcement action, including cancellation of the registration granted under the CMI Regulations.
- 3.4 The Research Entity shall ensure compliance with the Circular titled “[Direction for all Regulated Entities](#)” dated April 03, 2025 issued by the Authority.

³⁵ Regulation 13 of IFSCA (Capital Market Intermediaries) Regulations, 2025

³⁶ Reference: IFSCA Circular No. IFSCA-LPRA/9/2024-Legal and Regulatory Affairs dated April 03, 2025

CHAPTER - 3: PERMISSIBLE ACTIVITIES

4. Permissible Activities

- 4.1 A Research Entity registered with the Authority (“the Research Entity”) under the CMI Regulations may, for consideration, provide or publish “research report³⁷” with respect to securities as permitted under the CMI Regulations.

Provided that where a Research Entity engages in issuance of research report or research analysis in respect of any securities listed or proposed to be listed on a stock exchange in India³⁸, such services may be provided only to a non-resident³⁹ client and in compliance with the requirements specified by SEBI under regulation 4 of the SEBI (Research Analysts) Regulations, 2014 and circulars/ guidelines issued thereunder.

- 4.2 The Research Entity shall obtain registration, authorisation or license, as applicable, from the Authority under appropriate Regulations for undertaking any other activity in the IFSC.

³⁷ As defined in the IFSCA (Capital Market Intermediaries) Regulations, 2025

³⁸ Domestic India

³⁹ As defined under the Foreign Exchange Management Act, 1999 and Rules and regulations made there under

CHAPTER – 4: GOVERNANCE⁴⁰

5. Principal Officer

- 5.1 The Research Entity shall have a Principal Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.
- 5.2 The Principal Officer shall be responsible for overall activities of a Research Entity in the IFSC.
- 5.3 Where a Research Entity is having multiple registrations under the CMI Regulations, a separate principal officer shall be appointed/ designated for its research related activities.

6. Compliance Officer

- 6.1 The Research Entity shall have a Compliance Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.
- 6.2 Where a Research Entity is having multiple registrations under the CMI Regulations, the entity the entity may have the same person as compliance officer for ensuring compliances with all the applicable regulatory and legal requirements for its activities as capital market intermediary in the IFSC.

⁴⁰ Regulation 9 of the IFSCA (Capital Markets) Regulations. 2025

CHAPTER – 5: CODE OF CONDUCT

7. Code of Conduct

- 7.1 A Research Entity shall establish a Code of Conduct based on Schedule II of the CMI Regulations.

CHAPTER - 6: KYC AML & CFT GUIDELINES

8. KYC AML & CFT Guidelines

- 8.1 The Research Entity shall comply with the IFSCA (Anti Money Laundering, Counter Terrorist-Financing and Know Your Customer) Guidelines, 2022 (as amended) and circular and directions issued thereunder by the Authority from time to time.
- 8.2 The Research Entity shall ensure that the registration on FIU-IND FINGate 2.0 portal ('FIU-IND Portal') is completed prior to commencement of business and in case of an urgency to commence business, the registration shall be completed within 30 days from the date of commencement of business.
- 8.3 The Research Entity shall also ensure that any addition or modification to their Line of Business is updated on the FIU-IND portal within a period of thirty days from the date of commencement of such an additional Line of Business.
- 8.4 The Research Entity shall comply with the circular titled "[Registration on FIU-IND FINGate 2.0 portal for compliance with International Financial Services Centres Authority \(Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer\) Guidelines, 2022](#)" issued by the Authority on February 25, 2025 and such other guidelines issued by the Authority from time to time.

CHAPTER 7: GENERAL GUIDELINES FOR RESEARCH ENTITIES⁴¹

9. Conflict of Interest

- 9.1 In terms of Code of Conduct provided under Schedule II of the CMI Regulations, the Research Entity shall avoid conflict of interest and make adequate disclosure of its possible conflict of interest and duties and shall put in place a mechanism to resolve any conflict-of-interest situation.
- 9.2 As specified in regulation 36(1) of the CMI Regulations, the Research Entity shall have written internal policies and control procedures governing the dealing and trading by any employee for:
 - 9.2.1 addressing actual or potential conflict of interest arising from such dealings or trading of securities of subject company;
 - 9.2.2 promoting objective and reliable research that reflects unbiased view of research analyst; and
 - 9.2.3 preventing the use of research report or research analysis to manipulate the financial market.
- 9.3 As specified in regulation 36(2) of the CMI Regulations, the Research Entity shall ensure that the internal procedures and or controls designed to manage actual or potential conflicts of interest are based on the nature, scale and complexity of the business.
- 9.4 As specified in regulation 36(3) of the CMI Regulations, the Research Entity shall ensure that the conflicts of interest are identified and adequately addressed so that the quality of the research report is not compromised.

10. Transparency and Disclosures

- 10.1 The Research Entity shall disclose any material interests or relationships that may create a conflict of interest in its research reports including details on financial interests, ownership in the subject company, or any material business relationships.
- 10.2 Additionally, the Research Entity must ensure its research reports are clear, concise, and specific, allowing investors to understand the potential impact of conflicts of interest on the research's objectivity.
- 10.3 The Research Entity shall disclose in the report if the research entity or the research analyst or his associate or his relative has:
 - 10.3.1 any material financial interest in the subject company and the nature of such financial interest;

⁴¹ Regulation 36 and Schedule II of the IFSCA (Capital Markets) Regulations. 2025

- 10.3.2 beneficial ownership of one or more per cent. of the securities of the subject company;
- 10.3.3 any material business relationship with the subject company over the past 12 months that may result in conflict of interest; and
- 10.3.4 any other material conflict of interest relating to the subject company.

11. Independence and Personal Trading

- 11.1 The Research Entity shall have in place appropriate mechanisms to ensure independence of its research activities from its other business activities and shall establish, implement and enforce policies and procedures for personal trading by its analysts and their associates. Personal trading activities of the individuals employed as research analyst by research entity shall be monitored, recorded and wherever necessary, shall be subject to a formal approval process.
- 11.2 The policy shall ensure that an analyst does not trade for himself in a manner that is contrary to his outstanding research recommendations, except in special circumstances, where the analyst shall be required to obtain prior written approval for each trade. The Research Entity shall also ensure that the remuneration of analysts is structured in a way to avoid any bias in his research analyses and recommendations.
- 11.3 The Research Entity shall ensure that there are robust and effective barriers between the entity and other business dealings of the entity or its group entity to ensure independence and objectivity of the research reports.

12. Research Report Standards

- 12.1 The Research Entity shall ensure that all research reports are based on reliable information and backed by a solid documentary foundation and shall also ensure that the information provided in the report is complete, concise and specific such that investors can understand the actual or potential conflicts of interest and their likely impact on the quality of the research report published.
- 12.2 The Research Entity shall also ensure that the terms and recommendations in the reports should be consistently defined. Where a research entity employs a rating system, it must clearly define the meaning of each such rating including the time horizon and benchmarks on which a rating is based.

13. Maintenance of records

- 13.1 The Research Entity shall maintain and preserve books of account, records and documents, in electronic retrieval form for a minimum of eight years in terms of the requirements specified under regulation 16 of the CMI Regulations.
- 13.2 The Research Entity shall maintain relevant records and documents relating to its research activities for a minimum of eight years.

CHAPTER 8: OUTSOURCING

14.Outsourcing

- 14.1 In terms of Code of Conduct provided under Schedule II of the CMI Regulations, the Research Entities are required to have an internal policy for outsourcing of its activities from outside of IFSC.
- 14.2 The Research Entity shall have an internal policy on outsourcing of activities prior to commencement of operations and the Research Entity shall ensure compliance with the policy at all times.

CHAPTER 9: COMPLAINT HANDLING AND GRIEVANCE REDRESSAL

15. Complaint Handling and Grievance Redressal

- 15.1 Regulation 18 of the CMI Regulations require that the capital market intermediaries in the IFSC shall take adequate steps for redress of grievances of the investors in accordance with the requirements as may be specified by the Authority.
- 15.2 The Research Entity shall comply with the applicable norms and requirements relating to handling of consumer complaints specified by the Authority by way of circular titled [Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC](#) dated December 02, 2024 read with circular titled [“Extension of timeline for implementation of the Circular titled “Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC” dated December 02, 2024”](#) issued on January 13, 2025.

CHAPTER 10: CHANGE IN CONTROL

16. Operating in the IFSC in Branch Structure

16.1 In terms of regulation 23(1) of the CMI Regulations, the Research Entity shall intimate the Authority, within fifteen days of any direct or indirect change in control of the intermediary.

17. Research Entities incorporated in the IFSC

17.1 In terms of regulation 23(2) of the CMI Regulations, the Research Entity shall seek prior approval of the Authority, in case of any direct or indirect change in control of the entity.

18. Information to be submitted while seeking prior approval or submitting intimation regarding change in control

18.1 The Research Entity shall provide the following information while submitting application for seeking prior approval of IFSCA or submitting intimation to IFSCA regarding change in control:

- 18.1.1 Details of new shareholders / entities exercising control over the entity along with number of shares, per cent. of shares etc.;
- 18.1.2 A declaration that the new shareholders/ entities exercising control are “fit and proper” in accordance with the criteria specified under regulation 8 of the CMI Regulations;
- 18.1.3 Details of any material regulatory action taken or pending against the Research Entity or any of its controlling shareholder or director or designated partner by any financial sector regulator in the last three years.
- 18.1.4 A confirmation that all fees due to IFSCA as per the IFSCA Fee Circular has been paid
- 18.1.5 Number of investor complaints pending, if any, at the time of filing application/ intimation.
- 18.1.6 Details of ongoing material litigations, if any.
- 18.1.7 Copies of board resolution and shareholder resolution, as applicable, relating to change in control.

CHAPTER - 11: PERIODIC REPORTING

19. Quarterly Reporting

- 19.1 The Research Entity shall submit reports to the Authority on a quarterly basis in accordance with the requirements specified under the circular titled [Reporting Norms for Capital Market Intermediaries](#) dated February 08, 2024 (as amended from time to time).
- 19.2 The Research Entity shall furnish such information, documents, or records as may be specified by the Authority from time to time.

20. Annual Compliance Audit

- 20.1 In terms of regulation 25 of the CMI Regulations, the Research Entity shall have an annual audit conducted in respect of compliance with the CMI Regulations by a member of the Institute of Chartered Accountants of India or a member of the Institute of Company Secretaries of India or a member of the Institute of Cost Accountants of India or any person authorised to conduct audit in a Foreign Jurisdiction.
- 20.2 A copy of such compliance audit report for a financial year shall be furnished to the Authority by the 30th of September of such year.
- 20.3 The Research Entity shall have additional audits and submit such reports as may be specified by the Authority from time to time.

CHAPTER - 12: CYBER SECURITY AND CYBER RESILIENCE

21. Cyber Security and Cyber Resilience

- 21.1 In terms of regulation 21 of the CMI Regulations, the Research Entity shall have robust cyber security and cyber resilience framework in accordance with the requirements as may be specified by the Authority.
- 21.2 The Research Entity shall comply with the guidelines specified under the circular titled [Guidelines on Cyber Security and Cyber Resilience for Regulated Entities in IFSCs](#) dated March 10, 2025. As mentioned in the said circular, the implementation of these Guidelines shall be undertaken in accordance with the principle of proportionality, after taking into due consideration:
- 21.2.1 the scale and complexity of operations,
 - 21.2.2 the nature of the activity the entity is engaged in,
 - 21.2.3 its interconnectedness with the financial ecosystem and
 - 21.2.4 the corresponding cyber risks the entity is exposed to.

CHAPTER 13: SURRENDER OF REGISTRATION

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22.2 The Research Entity shall provide the following information while submitting application for surrender of registration:

22.2.1 Details of registration;

22.2.2 Original Certificate of Registration (if issued in physical form);

22.2.3 List of all activities that are being carried out by the entity;

22.2.4 Details of registration in any other capacity with IFSCA;

22.2.5 List of controlling shareholders and directors / designated partners;

22.2.6 Details of any material regulatory action taken or pending against the Research Entity or any of its controlling shareholder or director / designated partner by any financial sector regulator in the last three years;

22.2.7 Details of ongoing material litigations, if any;

22.2.8 Copies of board resolution and shareholder resolution, as applicable, relating to surrender of registration;

22.2.9 Reasons for surrender of registration; and

22.2.10 Undertakings as under:

Whether any disciplinary proceeding is pending against the Applicant	
Whether any investigation/adjudication/ enquiry by IFSCA is pending against the applicant or its controlling shareholders and directors / designated partners	
Whether as on date of application all fees have been paid and also mention the date of next due date of payment of fee	
Whether any arrangements made by the applicant for maintenance and preservation of records and other documents required to be maintained under the relevant regulations /guidelines of IFSCA	
Whether any arrangements made by it for ensuring continuity of service to the clients	

Whether any arrangements made to transfer its activities to another intermediary holding a valid certificate of registration to carry on such activity	
Whether there are any investor complaints pending against the applicant as on the date of application	
