



MASTER CIRCULAR

e.File No. IFSCA-PLNP/80/2024-Capital Markets

August 05, 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 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 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 SWITS¹ 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.

¹ 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 Authority².
- 3.2. The Debenture Trustee shall, at all times, ensure that it holds valid and subsisting³:
 - 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 Debenture Trustee 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 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 Jurisdiction⁴:

Explanation: The Debenture Trustee intending to undertake other activities relating to Trusteeship Services covered under the “[International Financial Services Centres Authority \(TechFin and Ancillary Services\) Regulations, 2025](#)” shall be required to seek separate registration as Ancillary Service Provider in accordance with the said regulations.

⁴ As defined in the CMI Regulations

CHAPTER - IV: GOVERNANCE⁵

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.

⁵ 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 Issuer⁶

- 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

⁶ For the purpose of this circular, 'Issuer' shall mean an issuer with debt securities listed on a recognised stock exchange in the IFSC.

the Debenture Trustee and also execute a debenture trust deed with the Debenture Trustee.

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.	
