



MASTER CIRCULAR

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

August 05, 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

Table of Contents

CHAPTER - I: REGISTRATION PROCESS	4
1. Application through SWIT System.....	4
2. SEBI-registered ESG Rating Providers (ERPs)	5
3. Payment of Fees	5
CHAPTER - II: VALIDITY OF REGISTRATION	8
4. Certificate of Registration	8
CHAPTER - III: PERMISSIBLE ACTIVITIES	9
5. Permissible Activities	9
CHAPTER - IV: GOVERNANCE.....	10
6. Principal Officer	10
7. Compliance Officer.....	10
CHAPTER - V: CODE OF CONDUCT.....	11
8. IOSCO Report and ICMA Code of Conduct.....	11
9. Code of Conduct	11
CHAPTER - VI: KYC AML & CFT GUIDELINES	12
10. KYC AML & CFT Guidelines.....	12
CHAPTER - VII: OTHER OBLIGATIONS.....	13
11. ESG Ratings process	13
12. Disclosure of ESG Ratings.....	13
13. Segregation	13
CHAPTER - VIII: INTERNAL POLICY ON OUTSOURCING OF ACTIVITIES	14
14. Internal Policy on Outsourcing	14
CHAPTER - IX: COMPLAINT HANDLING AND GRIEVANCE REDRESSAL.....	15
15. Complaint Handling and Grievance Redressal.....	15
CHAPTER - X: CHANGE IN CONTROL	16
16. ERDPPs operating in the IFSC in Branch Structure.....	16
17. ERDPPs incorporated in the IFSC.....	16
18. Information to be submitted while seeking prior approval or submitting intimation regarding change in control	16
CHAPTER - XI: PERIODIC REPORTING.....	17
19. Quarterly Reporting	17

20. Annual Compliance Audit.....	17
CHAPTER - XII: CYBER SECURITY AND CYBER RESILIENCE.....	18
21. Cyber Security and Cyber Resilience	18
CHAPTER - XIII: SURRENDER OF REGISTRATION	19
22. Surrender of Registration.....	19

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 SWITS¹ 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.

¹ 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: **ICICINAAXX**
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 Authority².
- 4.2. The ERDPP shall, at all times, ensure that they hold 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 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.

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 ACTIVITIES⁴

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.

⁴ Regulation 33 of the IFSCA (Capital Market Intermediaries) Regulations, 2025.

CHAPTER - IV: GOVERNANCE⁵

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.

⁵ 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 OBLIGATIONS⁶

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.

⁶ 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	
