



## CIRCULAR

IFSCA-DSI/1/2026-Capital Markets

June 05, 2026

To,

**All Capital Market Intermediaries (“CMIs”) in International Financial Services Centres (“IFSC”)**

**All Market Infrastructure Institutions (“MIIs”) in IFSC**

Madam/Sir,

**Subject: Reporting format and norms for Annual Compliance Audit for CMIs in IFSC**

1. Reference may be drawn to the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025 (“CMI Regulations”), in particular, regulation 25 which *inter alia*, requires CMIs to conduct an annual audit in respect of their compliance with CMI Regulations and submit a copy of such compliance audit report to the Authority; and regulation 27, which provides that CMIs, including broker dealers, desirous of dealing in securities in foreign jurisdictions, shall comply with the norms and requirements specified by the Authority.
2. In this regard, the Annual Compliance Audit Report (“ACAR”) Format for CMIs is specified as Annexure hereto, and the Annual Compliance Audit Checklist (“ACAC”) Format for CMIs is provided at <https://ifsca.gov.in/Download>.
3. Accordingly, all categories of CMIs shall submit a copy of the ACAR along with ACAC to the Authority in the specified format, on an annual basis, by way of an email to [cmi-supervision@ifsca.gov.in](mailto:cmi-supervision@ifsca.gov.in), by 30<sup>th</sup> of September each year, for the preceding Financial Year.
4. The ACAC shall contain the following checklists:
  - a. Checklist of general obligations and responsibilities for all CMIs (**Part-A**); and

- b. Checklist of specific obligations and responsibilities based on category of registration(s) / authorisation(s) (**Part-B**).
5. Additionally, in terms of the *proviso* to regulation 25(2) of the CMI Regulations, a CMI registered as a Broker Dealer / Clearing Member / Depository Participant, shall file a copy of the ACAR along with ACAC with the respective MIIs also.
6. For removal of doubt, it is clarified that the ACAC along with ACAR for Financial Year 2025-26 shall also be submitted by CMIs in accordance with this circular.

#### **Directions to MIIs**

7. MIIs are hereby directed that they shall provide a checklist for the purpose of auditing compliance with applicable laws, including rules, regulations and bye-laws issued by the MIIs for governing their respective members. Such checklist provided by the MIIs shall be deemed to be and appended to a part of ACAC (**Part-C**) and shall be submitted by the members to the Authority, and also to the respective MII.

*Illustration: ABC (IFSC) Ltd. is holding registration as Broker Dealer / Clearing Member / Depository Participant under CMI Regulations. ABC (IFSC) Ltd. shall submit a consolidated report that consist of Part-A, Part-B and Part-C along with the ACAR to the respective MII whose membership CMI is holding and also to the Authority.*

8. Further, MIIs shall provide information submitted in the ACAC along with ACAR by the CMIs, for each preceding Financial Year, in the manner and format as specified by the Authority, by 30<sup>th</sup> of November of every year.

#### **Annual Compliance Audit for Global Access Providers and Introducing Brokers**

9. Reference may also be drawn to Para 49 of the Circular titled “Regulatory Framework for Global Access in the IFSC”, dated August 12, 2025, which requires Global Access Provider (“GAP”) and Introducing Brokers to have their Global Access activities audited annually. Further, the Circular titled “Format of Net Worth Certificate and Checklist for conducting Audit of GAPs”, dated February 12, 2026 (“GAP Audit Norms Circular”), *inter-alia*, provides indicative checklist for conducting the annual audit.
10. In this context and to ensure ease of compliance, it is directed that the annual audit of GAPs and Introducing Brokers for Global Access activities shall also be reported as part of ACAR in the format specified under Part B. A copy of ACAR along with the ACAC for GAP and Introducing Brokers shall be submitted to the Authority by the concerned GAP.

#### **Norms for appointment of Compliance Auditor**

11. Reference may be drawn to Regulation 25(1) of CMI Regulations, which, *inter alia*, provides that the annual audit in respect of compliance with CMI Regulations shall be conducted by a member of the Institute of Chartered Accountants of India (“ICAI”) or a member of the Institute of Company Secretaries of India (“ICSI”) or a member of the Institute of Cost Accountants of India (“ICMAI”) or any person authorised to conduct audit in a Foreign Jurisdiction (hereinafter collectively referred to as “**Compliance Auditor**”).

12. In this regard, it is clarified that:

- a. the member of ICAI / ICSI / ICMAI conducting annual audit shall be a peer reviewed member;
- b. the Compliance Auditor shall be independent and shall not have any conflict of interest; and
- c. the Compliance Auditor may be appointed for carrying out the annual compliance audit of a CMI for a maximum period of three consecutive years.

Provided that such compliance auditor/audit firm shall be eligible for reappointment only after a cooling off period of two years.

13. The Authority may review and revise the format of ACAC from time to time. Accordingly, the CMIs shall access the latest reporting formats from the IFSCA website under the “Downloads” section (<https://ifsc.gov.in/Download>).

14. This circular is being issued in exercise of the powers conferred under Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019, read with Regulations 25, 27 and 45 of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025, and regulation 64 and regulation 67 of the International Financial Services Centres Authority (Market Infrastructure Intermediaries) Regulations, 2021, and shall come into force with immediate effect.

A copy of this circular is available on the website of IFSCA at [www.ifsc.gov.in](http://www.ifsc.gov.in).

**Yours faithfully,**

**Sd/-**

**Amit Prajapati**

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**Department of Capital Markets**

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## ANNEXURE

### FORMAT FOR ANNUAL COMPLIANCE AUDIT REPORT

*(On the letter head of the Compliance Auditor)*

Annual Compliance Audit Report of [*Name of the Capital Market Intermediary*] for the financial year [20xx-20xx]

[Refer regulation 25(1) of International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025]

I/We, [*Name of the Compliance Auditor*], have examined:

- (a) all the documents and records made available to us and explanation provided by [*Name of the Capital Market Intermediary*],
- (b) the filings / submissions made by the Capital Market Intermediary (“**CMI**”) to IFSCA and / or Market Infrastructure Institutions (“**MIIs**”),
- (c) any other document / filing, as may be relevant, which has been relied upon,

for the financial year [20xx-20xx] in respect of compliance with the provisions of:

(1) International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025 (“**CMI Regulations**”) and circulars issued thereunder;

and based on the above examination, I/We hereby report that, during the financial year [20xx-20xx]:

- (a) the compliance status of the CMI in the format specified by IFSCA (Part-A and Part-B of Annual Compliance Audit Checklist) is placed as **Annexure 1**.
- (b) the CMI has complied with all applicable provisions of the CMI Regulations and circulars issued thereunder except as indicated in the above-mentioned Annexure 1.

(2) rules, regulations and bye-laws of Stock Exchange(s) / Clearing Corporation(s) / Depository and circulars issued thereunder;

and based on the above examination, I/We hereby report that, during the financial year [20xx-20xx]:

- (a) the compliance status of the CMI in the format specified by the Stock Exchange(s) / Clearing Corporation(s) / Depository (Part-C of Annual Compliance Audit Checklist) is placed as **Annexure 2**.

(b) the CMI has complied with all applicable rules, regulations and bye-laws of Stock Exchange(s) / Clearing Corporation(s) / Depository and circulars issued thereunder except as indicated in the above-mentioned Annexure 2.

**Signature:** \_\_

**Date:** \_\_

**Place:** \_\_

**Name of the Compliance Auditor:** \_\_

**Registration No. of the Compliance Auditor:** \_\_