



CIRCULAR

SEBI/HO/MRD/DRMNP/CIR/P/2017/96

August 31, 2017

All recognized Stock Exchanges and Clearing Corporations in
International Financial Services Centres

Dear Sir/Madam

**Issuance, listing and trading of debt securities on exchanges in International
Financial Services Centres (IFSC)**

In continuation of guidelines on debt securities contained in Chapter V 'Issue of Debt Securities' of SEBI (IFSC) Guidelines, 2015 and based on the representations received from stock exchanges and market participants in IFSC, it has been decided that for issuing debt securities in IFSC, stock exchanges shall evolve a detailed framework prescribing

- a) the eligibility criteria for the issuers, and
- b) the issue requirements to be complied with by such eligible issuers for issuing debt securities in IFSC.

The above framework, and the subsequent changes made thereto, if any, shall be submitted to SEBI for approval.

2. **Listing:** In addition to the mandatory listing of debt securities that are issued in IFSC, it has also been decided to permit listing of those debt securities on stock exchanges in IFSC, which are issued outside IFSC. However, listing of only those debt securities shall be permitted which are issued in, and by issuers resident in Financial Action Task Force (FATF) member jurisdictions. The issuer of debt securities shall enter into a listing agreement with the stock exchange(s) where such securities are intended to be listed.

Further, it has been decided that the stock exchanges in IFSC shall evolve a detailed framework prescribing the initial and continuous listing requirements including corporate governance to be complied with by the issuers whose securities are listed/proposed to be

listed on stock exchanges in IFSC. Stock exchanges shall submit the listing framework, and the subsequent changes made thereto, if any, to SEBI for approval.

3. **Trading:** Guideline 21 of SEBI (IFSC) Guidelines, 2015 provides that the debt securities listed in stock exchanges shall be traded on the platform of the stock exchange and such trades shall be cleared and settled through clearing corporation set up in IFSC as specified. It has now been decided to permit over the counter trading of debt securities in IFSC subject to clearing and settlement through clearing corporations in IFSC. It is advised that all OTC trades in debt securities shall be reported on the reporting platform of any one of the recognized stock exchanges in IFSC within 15 minutes of the trade. To ensure that the data is not duplicated, the trades shall be reported on reporting platform of one of the stock exchanges only. The reporting for a trade must be done by the buyer and the seller on the same platform to ensure matching of both sides of the trades.

Clearing Corporations shall submit the clearing and settlement framework, and the subsequent changes made thereto, for debt securities to SEBI for approval.

4. 'Person resident in India' shall not invest or trade in Rupee denominated bonds issued and/or listed in IFSC, except to the extent as permitted by Reserve Bank of India. Further, 'Person resident in India' shall also not invest or trade in other debt securities, issued and/or listed in IFSC, by Indian entities.

5. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully

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