

IFSC framework for listing of Depository Receipts

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In news

GIFT IFSC prescribes a framework for listing of Depository Receipts

About the framework

The International Financial Services Centres Authority (IFSCA), with an objective to develop the financial products and financial services in the Gujarat International Finance Tec-City International Financial Services Centre (GIFT IFSC) has prescribed the regulatory framework for listing of Depository Receipts (DRs).

- The framework provides for the **listing of DRs by companies that are listed in FATF** compliant jurisdictions (including India).
- The framework **enables the eligible listed companies to raise capital through issuance and listing of DRs** on the stock exchanges in GIFT IFSC.
- Additionally, the framework enables eligible companies having DRs listed on any exchange in a FATF compliant jurisdiction to list and trade such DRs on the stock exchange(s) in GIFT IFSC as an additional venue for trading, without any fresh public offering.
- While IFSCA has prescribed the framework for essential disclosure requirements such as financial statements, material or price sensitive information etc.
- The listed companies will be required to release all the disclosures made in the home jurisdiction to the stock exchange(s) in GIFT IFSC.

About the International Financial Services Centres

Authority(IFSCA)

Composition of IFSCA

The Authority will consist of nine members, appointed by the central government. These posts will have a term of three years, subject to reappointment. Members of the Authority will include:

1. The Chairperson
2. Four members to **be nominated from the Reserve Bank of India, the Securities Exchange Board of India, the Insurance Regulatory and Development Authority of India, and the Pension Fund Regulatory and Development Authority**
3. Two members from amongst officials of the Ministry of Finance, and
4. Two members to be appointed on the recommendation of a Selection Committee.

Functions of the Authority:

- Regulating financial products, financial services, and financial institutions in an IFSC which have been approved by any regulator (such as the RBI or SEBI), before the enactment of the Bill
- Regulating any other financial products, services, or institutions in an IFSC, which may be notified by the central government, and
- Recommending to the central government, any other financial services, products, or institutions which may be permitted in an IFSC.
- Further, all powers relating to the regulation of financial products, services, and institutions in IFSCs, which were previously exercised by the respective regulators will be exercised by the Authority