

Social Stock Exchange

June 25, 2020

Why in news?

- In her budget speech in July 2019, the Indian Finance Minister Nirmala Sitharaman proposed a Social Stock Exchange (SSE)

What is it?

- social stock exchange – a stock exchange for the social sector – where donors will be able to contribute to an **NGO or a for-profit organisation** of their choice that is 'listed' on the exchange .
- This will help them to raise capital through debt, equity and mutual funds.

Some points

- The proposed exchange will be under the regulation of Securities and Board Exchange of India (SEBI), will allow the listing of social enterprises and voluntary organisations and will function as an electronic fundraising platform.
- In September 2019, the SEBI constituted a working group to hone this further under Chairman Ishaat Hussain, Director, SBI Foundation.
- Both NGOs and for profit organisations that operate in the social space can list themselves on the SSE. This will make it easier for potential donors to find and fund them; but it also brings a level of accountability to the work and finances of these organisations.
- Only five countries in the world – UK, Canada, Singapore, Brazil and South Africa – have social stock exchanges.



