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## CIRCULAR

IFSCA/CMD-DMIIT/SOF/2023-24/001

March 14, 2024

To,

**All the Stock Exchanges in the International Financial Services Centre (IFSC)  
All the Broker Dealers in the International Financial Services Centre (IFSC)**

Dear Sir/Madam,

**Sub: Ease of doing business: Settlement of Client's Funds lying with Broker Dealer**

1. Presently, Broker Dealers in IFSC are required to transfer the unutilized funds back into client's account in the specified time depending on the mandate of the client ('*Running Account Settlement*'). However, the gap between two such settlements must not be more than 30/90 days (as per choice of client viz. *Monthly/Quarterly*).
2. IFSCA has received representations from various market participants – both investors and market institutions - regarding doing away with the requirement of such monthly /quarterly settlement due to cost of remittance of funds.
3. With an objective to promote ease of doing business in IFSC and taking into account the representations from investors and discussions with the Stock Exchanges, the following has been decided:
  - i) *Unless otherwise specified by IFSCA, settlement of funds shall be done as per the Agreement/Consent Letter between the Broker Dealer and its client. The Stock Exchanges in IFSC may specify the format of such Agreement/ Consent Letter for the Broker Dealers.*
  - ii) *Such an Agreement/Consent Letter needs to be executed between the Broker Dealer and the Client at the time of onboarding itself.*



- iii) *In case of existing clients, the Broker Dealers in IFSC may adopt a procedure to operationalize the same.*
- iv) *The Stock Exchanges in IFSC shall put in place a mechanism for monitoring clients' funds lying with the Broker Dealers.*

This circular is issued in exercise of powers conferred by Section 12 of the International Financial Services Centres Authority Act, 2019 to develop and regulate the financial products, financial services and financial institutions in the International Financial Services Centres.

A copy of this circular is available on the website of the International Financial Services Centres Authority at [www.ifsc.gov.in](http://www.ifsc.gov.in).

**Yours faithfully,**

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