



CIRCULAR

F. No. 60/IFSCA/LES/IFSC/2020-21

October 07, 2020

To,
All Stock Exchanges in the International Financial Services Centre

Dear Sir/Madam,

Sub: Liquidity Enhancement Scheme

1. The Securities and Exchange Board of India (SEBI) has vide circulars CIR/MRD/DP/14/2014 dated April 23, 2014, SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017 and SEBI/HO/MRD/DSA/CIR/P/2017/103 dated September 21, 2017 permitted liquidity enhancement schemes (LES) to enhance liquidity in illiquid securities.
2. Clause 4.1 of the SEBI circular CIR/MRD/DP/14/2014 dated April 23, 2014 provides that the stock exchanges shall introduce liquidity enhancement schemes on any security for a maximum period of three years.
3. Based on representations received, it has been decided that the stock exchanges in the International Financial Services Centre (IFSC) are permitted to introduce LES in illiquid securities upto a maximum period of five years.
4. The extended period shall be applicable to the existing LES in the stock exchanges in the IFSC.
5. The other requirements of SEBI circulars with regard to LES in the IFSC will remain in force.
6. 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.
7. A copy of this circular is available on the website of International Financial Services Centres Authority at www.ifsca.gov.in.

Yours faithfully,

Arjun Prasad
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