

Public comments on proposed IFSCA (Issuance and Listing of Securities) Regulations, 2021

No.	Commentator	Regulation	Category	Draft Regulation	Proposed/ Suggested Changes	Rationale	Our Comments
1	India International Exchange IFSC Limited (India Inx)	2(c)	Definition of Convertible Securities	(c) "convertible security" means a security which is convertible into or exchangeable with equity shares of the issuer at a later date , with or without the option of the holder of such security and includes convertible debt instrument and convertible preference shares.	Convertible securities definition should also include – equity options, warrants, convertible preference shares and basket of such securities or securities with similar rights to subscribe or purchase shares. Since securities post conversion cease to be debt, the term "convertible securities" in the regulations essentially refer to the state of the securities prior to its conversion i.e. "debt". This needs to be clarified in the definition of convertible securities.		Equity Options are not convertible Securities. Convertible Preference Shares already mentioned. Since warrants are converted into shares, they are covered under the definition. The definition is same as SEBI (ICDR) Regulations, 2018. The convertible securities are listed in the same manner as Equity Shares. No change may be required.
2	India Inx	2(e)	Definition of DR	"DR" or "depository receipt" means a negotiable financial instrument representing underlying securities of a company listed in another jurisdiction	The definition should cover both Sponsored and Un-sponsored Depository Receipts.	This should be explicitly stated in the definition for sake of clarity.	Un-sponsored DRs are issued with no direct involvement of the issuer. Un-sponsored DRs have already been covered in the Regulations under the section - "Permitted to Trade (without listing)". The definition of DR may not be changed.
2	India Inx	2	Definition		SPAC may be defined. A reference definition suggested is as below: "Special Purpose Acquisition Company (SPAC) means a company with no commercial operations that is formed strictly to raise capital through an initial public offering (IPO) for the purpose of acquiring an existing company."		SPAC has currently been covered in Chapter VI. Considering the comment of India Inx, we may define SPAC and Business Acquisition under Regulation 2. Proposed Definitions of - SPAC: "Special Purpose Acquisition Company" or "SPAC" means a company which does not have any operating business and has been formed with the primary objective to affect a business combination. "business combination" means a merger or amalgamation or acquisition of shares or assets of one or more companies having business operations.
3	India Inx	2(g)	Definitions		The issuance of securities through Rights Issue and through Preferential issue may also		Rights Issues and Preferential Issues are pursuant to listing of companies on the

					be included here.		Exchanges. An enabling provision may be provided. The detailed requirements may be prescribed at a later stage. The following may be inserted: <i>A company listed on a recognised stock exchange may issue rights issues or preferential issues of specified securities, subject to compliance with the requirements that may be prescribed by the recognised stock exchange(s) and the Authority from time to time.</i>
4	India Inx	4(b)	Applicability	4. These regulations shall apply to: (b) a follow-on public offer of specified securities by a listed issuer	As per 4(b) only a listed issuer can make an FPO. As per the definition a “listed company” means a company whose specified securities or depository receipts are listed on a recognised stock exchange(s) in IFSC. It is suggested that a company listed on any international jurisdiction wanting to raise capital in IFSC and list on IFSC stock exchanges should be treated as a listed company; or else such companies would not be able to raise capital in IFSC. Also, applicability should include secondary listing of both initial public offer and follow-on public offer of specified securities by an issuer.		Listed issuer has been mentioned which means an issuer listed on any stock exchange. Listed Company has been defined for the purpose of disclosure requirements in the Regulations. In order to avoid any ambiguity, listed company has now been defined as “Listed Company” (capital L and C) at all relevant places in the Regulations. Secondary Listing has already been provided in the Regulations
5	India Inx	4 (e)	Applicability	4. These regulations shall apply to: (e) listing of depository receipts	Listing of DRs should cover both Sponsored and Un-sponsored DRs as mentioned in the definitions section above.		The proposed Regulations cover both sponsored and un-sponsored DR (Permitted to Trade)
6	India Inx	4 (f) and (g)	Applicability	4. These regulations shall apply to: (f) Listing of debt securities (including SMART City bonds); and (g) Listing of ESG focused debt securities	Listing of Debt securities is presently done as per the already approved guidelines and framework. As the segment is operational and has been immensely successful in attracting local as well as foreign issuers to the IFSC it is recommended that no change to extant approved Debt listing guidelines be made.		We may agree with the comments. Considering that the debt securities are currently being listed on the exchanges in terms of the already existing framework (IFSC Guidelines and Exchange’s framework) and is immensely successful compared to other products, we may continue with the existing framework, rather than aligning with SEBI’s ILDS

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7	India Inx	6(2)(b)	General Eligibility Criteria	<p>(2) Notwithstanding (1) above, the following entities shall also be eligible in respect of listing of debt securities on a recognised stock exchange, -</p> <p>(b) any municipality or any Statutory Body or Board or corporation, Authority, Trust or Agency established or notified by any Central or State Act or any Special Purpose Vehicle notified by the State Government or Central Government including for the purpose of raising fund by the issuer to develop SMART city.</p>	<p>In order to promote fund raising for SMART cities from IFSC the following could be considered:</p> <p>The municipality/ statutory body may -</p> <p>1. Form an entity in the form of finance company in GIFT-IFSC which can in turn raise funds by collateralizing the assets or</p> <p>2. Form/tie up with a Multilateral Development Bank to raise funds from GIFT-IFSC or</p> <p>3. Be allowed to raise funds in INR, as given the scale of operations of these institutions the cost of borrowing, hedging, etc shall be very high if they raise foreign currency funds.</p>		<p>A finance company formed in IFSC is eligible to list in terms of Regulation 6(1)</p> <p>The multilateral developments banks are also eligible in terms of regulation 6(2)(a).</p> <p>As regards currency, raising funds in INR is prohibited within IFSC.</p>
8	India Inx	8	General Eligibility Criteria	<p>8 An issuer shall not be eligible to list securities under these regulations if the issuer or any of its promoters, promoter group, controlling shareholders or directors or selling shareholders is -</p> <p>(a) debarred from accessing the capital market; or</p> <p>(b) a wilful defaulter; or</p> <p>(c) a fugitive economic offender.</p>	<p>It needs to be clarified if the above ineligibilities would be as per declarations in the country of domicile of the Issuers or IFSC or India.</p>		<p>This prohibition is applicable irrespective of any particular jurisdiction.</p> <p>No change may be required</p>
9	India Inx	9	General Eligibility Criteria	<p>The securities proposed to be listed on a recognised stock exchange should be fully paid-up and freely transferable. The securities shall be issued and held in dematerialised form.</p>	<p>1. Partly paid securities should also be allowed to be listed and traded, as in domestic market</p> <p>2. Also, the rights entitlements, Bonus shares, fractional shares, etc should also be allowed. Towards this, the depositories should have connectivity with other international depositories and operate a hybrid structure for holding shares - either by</p>		<p>We may agree</p>

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					beneficial holder name or on nominee basis		
10	India Inx	10 and 11	IPO - Eligibility Criteria	<p>10. An issuer shall be eligible to make an initial public offer only if:</p> <p>a. the issuer has an average pre-tax profit, based on consolidated audited accounts, of at least USD one million during the preceding three financial years; or</p> <p>b. the issuer has an operating revenue of at least USD 20 million in the preceding financial year; or</p> <p>c. any other eligibility criteria that may be prescribed by IFSCA.</p> <p>11. The issuer shall have commenced business at least three years prior to the date of filing of prospectus</p>	<p>1) Conventional and onerous entry criteria like Profitability, Revenue, etc could be dispensed with in the Regulations. Such light touch regulation will attract new generation corporates to raise funds and list in the Exchanges.</p> <p>The Authority may however choose to have some internal criteria/ yardstick administered through intermediaries like Merchant Bankers for granting clearance/ approval.</p> <p>2) Minimum issue size for equities should be of USD 750,000 which is a competitive range across other jurisdictions. This should be the only criteria for equities. Issuers to comply with provisions of their home jurisdiction. An undertaking from the issuer that the requirements of their home jurisdiction have been complied with should be sufficient.</p>		<p>There should be some entry norms for listing of companies on the exchanges. It would provide confidence to the investors and bring in credibility to the listing framework.</p> <p>Further, instead of having internal yardstick, it would be better to have the entry norms transparent and know to all stakeholders.</p> <p>The proposed eligibility criterion has two OPTIONS – (a) Profitability or (b) Revenues.</p> <p>Further, IFSCA has the enabling provision to prescribe any other criteria (which can be used based on experience).</p> <p>The entry norms are therefore not stringent as compared to other jurisdictions.</p> <p>No change may be required.</p>
11	India Inx	13	Lead Manager	<p>The issuer shall appoint one or more merchant bankers as lead manager(s) to the issue and shall also appoint other intermediaries in consultation with the lead manager(s)</p>	<p>Who would qualify for Lead Manager/ Merchant Banker/Underwriter and other market intermediaries under this Regulation needs to be specified viz., do they have to be established in IFSC/ registered as such with IFSCA or could be registered and acting as such in their home jurisdiction?</p> <p>It is suggested that –</p> <ol style="list-style-type: none"> 1. All the existing Lead Managers in domestic market be passported as such to IFSC and grandfathered. 2. All the IBUs in IFSC can also be made Merchant Bankers and 3. Securities Clearing Members in IFSC subject to prescribed net worth criteria may also be permitted to act as Merchant Bankers 		<p>Onboarding of intermediaries may be handled separately.</p> <p>IFSCA is also working separately on Intermediaries Regulations.</p>
12	India Inx	16	Filing of Offer Document	<p>(1) The issuer, through the lead manager(s), shall file a draft offer document along with fee as may be specified by IFSCA</p>	<p>It needs to be clarified if this will be applicable in case of simultaneous listing of securities at a foreign exchange along with an exchange in the IFSC.</p>		<p>In case of simultaneous listing, it is more important to have the offer period and listing date same.</p> <p>We may include Proviso regarding this at relevant Regulations.</p>

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13	India Inx	22	Disclosures in the Offer Document		It is suggested that it would suffice if the offer document contains all material disclosures as are required to be submitted as per the issuer's home jurisdiction.		<p>Comment is not clear on which disclosures of home jurisdiction are being referred.</p> <p>Initial Disclosures in Offer Document should be made in IPOs. This is global practice and also in line with the IOSCO Principles.</p> <p>No change may be required.</p>
14	India Inx	23	Disclosure of audited financial information in Offer Document	23. The audited financial information of the issuer in the offer document shall be for at least three financial years.	Subject to comment made under Reg 10 & 11, the audited financial information for three-year period should include even those wherein the business was carried out by its promoter group and also wherein the issuer was previously constituted in another form like proprietorship, LLP, etc.		Listing may be permitted on the main board if the company is in existence for at least 3 years.
15	India Inx	26	Issue size	The issue size shall not be less than USD fifteen million or any other amount as may be specified by IFSCA.	The minimum issue size for equities should be of USD 750,000 which is a competitive range across other jurisdictions. This should be the only criteria for equities. Issuers to comply with provisions of their home jurisdiction. An undertaking from the issuer that the requirements of their home jurisdiction have been complied with should be sufficient		<p>The proposed issue size of 7,50,000 is on a lower side.</p> <p>The SMEs and Start-ups can list on exchanges with smaller issue size.</p> <p>As regards main board, we may have the minimum issue size of USD 15 million. Based on experience, IFSCA may review the issue size.</p> <p>No change may be required at this stage.</p>
16	India Inx	Chapter IV	Permitted to Trade		<p>"Permitted to Trade" should be allowed. This should be allowed for all instrument types and not limited to Depository Receipts.</p> <p>Also, no time restriction for a security to be in permitted category should be stipulated in the Regulations. Rather, it should be left to the Exchanges to determine this aspect.</p>		We may agree.
17	India Inx	53 - 55	Listing of Start-up and SME Companies	<p>53. A start-up company shall be eligible to list its specified securities on a recognised stock exchange, with or without making a public offer, if it meets the following criteria:</p> <p>(a) The offer document of the company should be filed within a period of ten years from the date of incorporation /</p>	<p>The following needs more elaboration –</p> <p>1. Who would qualify as a start- up should be spelt out very clearly. The qualifying criteria should be meaningful and not give room for any ambiguity for the issuer in determining whether it qualifies or not. In present day scenario some entities may be doing very well but may not be currently in profit. For example: PayTM.</p>		<p>The definition of start-up is similar to the definition provided by Govt. of India.</p> <p>No change may be required</p>

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				<p>registration;</p> <p>(b) The turnover of the company for any of the financial years since incorporation/ registration should not have exceeded USD twenty -million;</p> <p>54. A company falling under small and medium sized enterprise (SME) as per the definition of their respective jurisdiction of incorporation shall be eligible to list its specified securities on a recognised stock exchange, with or without making a public offer.</p> <p>55. The provisions of this Chapter shall apply to eligible start-up and SME companies fulfilling the above criteria.</p>	<p>2. What are the relaxations given for Start-ups vis-à-vis other issuers needs to be spelt out very clearly. This will encourage start-ups to come forward for listing</p>		
18	India Inx	62	Listing with public offer	<p>The provisions relating to filing of offer document, offer timing, initial disclosures in the offer document, pricing, offer period, underwriting, allotment, listing post-issue report, other responsibilities of lead manager and prohibition on payment of incentives provided for Initial Public Offers under Part A of Chapter III shall mutatis mutandis apply to initial public offer by a start-up or SME company under this Chapter</p>	<p>The provisions to be complied with that are given under Reg 62, may be kept to the minimal</p>		<p>Comment not specific</p>
19	India Inx	99	Accounting Standards	<p>The issuer shall prepare their statement of accounts in accordance with IFRS or US GAAP or Ind AS or accounting standards as applicable in its home jurisdiction.</p>	<p>This may be revised as below – Issuer should have flexibility to follow IFRS, US GAAP or Local GAP</p>		<p>The proposed Regulations are already flexible and permits accounting standards applicable in its home jurisdiction.</p> <p>No change may be required.</p>
20	India Inx	108	DRs - Permitted to Trade	<p>The “Permitted to Trade” framework is available to the stock exchange(s) initially till December 31, 2023</p>	<p>The timeline up to which the Permitted to Trade framework would be available may be dropped from the Regulations and it may be left to the Exchanges to determine this</p>		<p>Considering that IFSCA is at a nascent stage, the permitted to trade category may be in the interest of development of IFSC.</p>

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21	India Inx	Chapter VIII	Listing of Debt Securities		<ul style="list-style-type: none"> Listing of Debt securities is presently done as per the approved guidelines and framework by SEBI, as the segment is operational and has been immensely successful in attracting local as well as foreign issuers it is recommended that no change to extant debt listing guidelines be made. Listing of Debt securities mainly has two key types - Medium Term Notes program and drawdowns under the same and standalone issuances - Both these may further be bifurcated into public and private issuances. 		<p>We may agree with the comments.</p> <p>Considering that the debt securities are currently being listed on the exchanges in terms of the already existing framework (IFSC Guidelines and Exchange's framework) and is immensely successful compared to other products, we may continue with the existing framework, rather than aligning with SEBI's ILDS Regulations.</p>
22	India Inx	110	Listing of Debt Securities	An issuer of debt securities shall enter into an agreement with a depository or custodian, registered in IFSC, for the purpose of issuance, holding and safekeeping of such securities and also to facilitate transfer, redemption and other corporate actions in respect of such securities.	<p>Depositories and custodians registered in foreign jurisdictions and ICSDs should be included.</p> <p>It may be noted that the extant listing requirements do not insist on an agreement with depository or custodian registered in IFSC.</p>		<p>We may agree with the comments of India Inx. Most of the listed debt securities in IFSC are also listed in some other jurisdictions. Such dual listed debt may opt for ICSDs.</p> <p>This Regulation may be deleted.</p>
23	India Inx	113	Public Issue of debt securities on recognised stock exchange	<p>(1) The issuer shall file an application with the stock exchange(s) seeking in principle approval.</p> <p>(2) The draft offer document filed with the stock exchange shall be made public by posting the same on the website of the stock exchange for seeking public comments for a period of seven working days from the date of filing the draft offer document with such exchange.</p> <p>(3) The draft offer document may also be displayed on the website of the issuer, merchant bankers and the stock exchanges where the debt securities are proposed to be</p>	<p>In alignment with global practice the following may be considered –</p> <ol style="list-style-type: none"> Requirement for seeking in-principle approval from Stock Exchange to be dispensed with as it is not insisted up by other foreign jurisdictions. If at all, it may be made applicable only for those where funds are raised from GIFT-IFSC. Requirement for putting up draft offer document for public comments may not be made mandatory. 		<p>The debt framework in the consultation paper is largely in line with the SEBI's ILDS Regulations.</p> <p>Considering that the debt securities are currently being listed on the exchanges in terms of the already existing framework (IFSC Guidelines and Exchange's framework) and is immensely successful compared to other products, we may continue with the existing framework, rather than aligning with SEBI's ILDS Regulations.</p> <p>We may agree with the comments.</p>

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				<p>listed.</p> <p>(4) The Lead Merchant Banker shall ensure that all comments received on the draft offer document are suitably addressed prior to the filing of the final offer document.</p> <p>(5) A copy of draft and final offer document shall also be forwarded to IFSCA for its records, along with regulatory fees as specified by IFSCA, simultaneously with filing of these documents with the stock exchange.</p>			
24	India Inx	115	Debenture Trustee	<p>(1) The issuer shall appoint one or more debenture trustees.</p> <p>(2) The debenture trustee shall, prior to the opening of the public issue, furnish to IFSCA a due diligence certificate.</p> <p>(3) A trust deed for securing the issue of debt securities shall be executed by the issuer in favour of the debenture trustee within three months of the closure of the issue.</p> <p>(4) The trust deed shall not contain a clause which has the effect of –</p> <p>(a) limiting or extinguishing the obligations and liabilities of the debenture trustees or the issuer in relation to any rights or interests of the investors;</p> <p>(b) limiting or restricting or waiving the provisions of the Act, these regulations and circulars or guidelines issued by</p>	<p>Trustees for the issue of debt securities in foreign jurisdiction shall mostly be from a jurisdiction other than IFSC. Due to stamp duty implications etc there may be challenges in submission of trust deed. Instead, a declaration from issuer may be sought to the effect that trustee is on-boarded and the trust deed covers the rights and interests of the investors.</p>		<p>Currently, the debt framework is largely in line with the SEBI's ILDS Regulations.</p> <p>Considering that the debt securities are currently being listed on the exchanges in terms of the already existing framework (IFSC Guidelines and Exchange's framework) and is immensely successful compared to other products, we may continue with the existing framework, rather than aligning with SEBI's ILDS Regulations.</p> <p>We may agree with the comments.</p>

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				<p>the IFSCA;</p> <p>(c) Indemnifying the debenture trustees or the issuer for loss or damage caused by their act of negligence or commission or omission.</p> <p>(5) IFSCA may prescribe the obligations of debenture trustee from time to time.</p>			
25	India Inx	120	Payment of interest for delay in allotment	<p>120. (1) The Issuer shall ensure that in case of listing of debt securities issued to public, allotment of securities offered to public shall be made within thirty days of the closure of the public issue.</p> <p>(2) Where the debt securities are not allotted and/or application moneys are not refunded within the stipulated period in sub-regulation (1), the issuer shall undertake to pay interest at the rate of fifteen per cent per annum.</p>	Payment of interest at 15% p.a. would be very steep considering interest rates in international jurisdiction. It may be pegged to an appropriate benchmark instead of stipulating a flat rate of 15%.		Deleted in the revised framework for debt listing.
25	India Inx	124	Listing of debt securities issued on a private placement basis	An issuer may list its debt securities issued on private placement basis on a recognised stock exchange.	Private placement should cover drawdowns of MTNs as well. This may be specifically mentioned in the Regulation for clarity.		MTNs are considered as Debt Securities and are currently listed on the exchanges in IFSC.
26	India Inx	125	Private Placement – Credit Rating	The issuer shall obtain credit rating from at least one credit rating agency registered with any financial sector regulator.	Credit Rating should be made optional for private placements		We may agree with the comments of India Inx
27	India Inx	148	Shareholding Pattern	The listed company shall submit to the stock exchange(s) shareholding pattern of the company, in the format specified by the IFSCA or the stock exchange(s) on a quarterly basis, within twenty one days from the end of each quarter	It is suggested that the period of twenty one days from the end of each quarter for submission of shareholding pattern may be made applicable to securities of issuers incorporated in the IFSC while in the case of issuers incorporated outside IFSC, the home jurisdictions norms should be applicable		<p>The disclosures with regard to secondary listing have already been separately mentioned in the Regulations.</p> <p>No change may be required.</p>

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28	India Inx	176	Financial Statements – Listed Debt Securities	The issuer shall disclose to the stock exchange(s) the financial statements for each of the first three quarters of its financial year immediately after the finalisation of accounts, but in any event not later than 45 days after the quarter end.	This may be removed as it is not required as per the extant approved debt listing framework.		<p>There is a separate requirement to disclose audited financial statements on a yearly basis.</p> <p>We may agree with the suggestion and remove the quarterly disclosure of financial statements in respect of listed debt securities.</p> <p>We may continue with the existing disclosure framework by the exchange (i.e. annual disclosure of financial statements).</p> <p>We may agree with the comments.</p>
29	India Inx		Disclosures	It is suggested that, information shall be deemed to be disclosed/published when it is made available in electronic form either on the issuer’s website or, if applicable, on the website of the financial intermediaries placing or selling the securities; and/or on the website of the exchange. This will offer ease of doing business for the issuers.			<p>The disclosure on company’s website is not the same as disclosure on website of stock exchanges.</p> <p>We may not agree with the suggestion.</p> <p>No change may be required.</p>
30	India Inx		General / Others	<p>1. These composite regulations do not include Funds, Business Trusts etc. which should also get included in the same.</p> <p>2. It is suggested that this Regulation may be restructured covering only the common aspects as a primary listing regulation. Further sub regulations could be issued for each instrument type.</p> <p>3. The Depositories framework for handling cross border transfer of securities is not available presently. This would be essential for the issuers to factor while considering issuance and listing at IFSC. The depositories framework inter alia should facilitate nominee</p>			<p>Listing of Funds, REITs and InvITs have not been covered in these Regulations.</p> <p>Noted. IFSCA has the powers to issue circulars/ guidelines as and when required.</p> <p>The comments relating to Depository may be dealt separately.</p>

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				account structure			
31	NSE IFSC Ltd.	2.(d)	Definition	“debt securities” means non-convertible debt securities which create or acknowledge indebtedness and includes debentures and bonds	Can exclude bonds issued by Government or such other bodies as may be specified by the Board, security receipts and securitized debt instruments	As per Issue and Listing of Debt Securities Regulations, 2008 (ILDS) it further includes whether constituting a charge on the assets of the body corporate or not, but excludes bonds issued by Government or such other bodies as may be specified by the Board, security receipts and securitized debt instruments	Our definition is general definition of “debt securities”. Exclusions, if any, may be dealt separately. SEBI has excluded SRs and Securitized Debt Instruments from the definition of Debt as they have separate Regulatory Framework for such listings. No change may be required
32	NSE IFSC Ltd.	2. (h)	Definition of Green Shoe Option	“green shoe option” means an option of allotting specified securities in excess of the specified shares offered in the public issue as a post-listing price stabilizing mechanism	Should include other instruments in addition to equity shares	Green shoe option can be for any instrument	May be considered “Equity Shares” may be replaced with “Specified Securities”.
33	NSE IFSC Ltd.	3	Definition of designated stock exchange	-	Designated Stock Exchange (DSE) can also be included. DSE can be defined as a stock exchange in which securities of the issuer are listed or proposed to be listed and which is chosen by the issuer for the purposes of a particular issue under these regulations.	DSE concept comes into picture in case of basis of allotment, collection of regulatory fees, etc. It may be explored if similar concept can be introduced here	May be considered Accordingly, suitable modifications have been made in these Regulations
34	NSE IFSC Ltd.	3	Definition of Wilful Defaulter	-	Willful defaulter may be considered to define here	SEBI ILDS defines wilful defaulter	The definition of Wilful Defaulter by SEBI is mainly in the context of India. We may keep it general. No change may be required.
35	NSE IFSC Ltd.	4. (n)	Applicability	4.These regulations shall apply to: listing of debt securities (including SMART City bonds)	Can be re-worded as below: Public issue of debt securities and Listing of debt securities (including SMART City bonds) through public issue or on private placement basis;	As per ILDS regulation Modified as per ILDS regulation	Drafting suggestion. Meaning remains the same. May not be required.
36	NSE IFSC Ltd	4. (o)	Applicability	4.These regulations shall apply to: listing of ESG focused debt securities	Can be re-worded as below: Public issue of ESG focused debt securities and Listing of ESG focused debt securities through public issue or on private placement basis	As per ILDS regulation Modified as per ILDS regulation	Drafting suggestion. Meaning remains the same. May not be required.
37	NSE IFSC Ltd	6. (2) (b)	General Eligibility Criteria	(2) Notwithstanding (1) above, the following entities shall also be eligible in respect of listing of debt securities on a recognised	Can add – ‘to develop infrastructure’ in addition to ‘SMART city’	To make it comprehensive	May be considered. The suggestion will broaden the scope.

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				stock exchange, - (b)any municipality or any Statutory Body or Board or corporation, Authority, Trust or Agency established or notified by any Central or State Act or any Special Purpose Vehicle notified by the State Government or Central Government including for the purpose of raising fund by the issuer to develop infrastructure or SMART city.			
38	NSE IFSC Ltd	7. (c)	General Eligibility Criteria	7. An issuer shall be eligible to list its securities under these regulations in IFSC only if- (a) the issuer is duly incorporated or established according to the relevant laws of its place of incorporation or establishment; (b) the issuer is operating in conformity with its constitution; and (c) the listing of securities in IFSC is in accordance with the laws of the jurisdiction of incorporation	Does this also include debarred from accessing market by regulator/govt./govt. agency of place of incorporation?	For the purpose of better clarification	Provided in Regulation 8
39	NSE IFSC Ltd NSE IFSC Ltd	8	General Eligibility Criteria	8. An issuer shall not be eligible to list securities under these regulations if the issuer or any of its promoters, promoter group, controlling shareholders or directors or selling shareholders is - (a) debarred from accessing the capital market; or (b) a wilful defaulter; or (c) a fugitive economic offender	Relevance of promoter group, controlling shareholders or selling shareholders may be reviewed for debt securities.	ILDS regulations do not cover promoter group, controlling shareholders or selling shareholders	We may have these prohibitions. No change may be required
					Can be clarified - Declared by whom	For the purpose of better clarification	
40	NSE IFSC Ltd	9	General Eligibility Criteria	The securities proposed to be listed on a recognised stock exchange should be fully paid-up and freely transferable. The securities shall be issued and held in dematerialised form.	Authority may give exception for the partly paid up debentures	In case of debt securities, partly paid up debentures are also listed	We may agree with the comments.

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41	NSE IFSC Ltd	12. (c)	Eligibility Criteria – SR Shares	<p>12. If an issuer has issued SR equity shares or dual class shares to any shareholder, the said issuer shall be allowed to do an initial public offer of ordinary shares for listing on the recognised stock exchange(s) subject to compliance with the following:</p> <p>(c) The SR equity shares / shares with superior voting rights shall have voting rights in the ratio of a minimum of 2:1 upto a maximum of 10:1 compared to ordinary shares and such ratio shall be in whole numbers only;</p>	Can be clarified why this specification	For the purpose of better clarification	In line with SEBI's ICDR Regulations.
42	NSE IFSC Ltd	12. (d)	Eligibility Criteria – SR Shares	(d) The SR equity shares / shares with superior voting rights shall have the same face value as the ordinary shares	i. Can be clarified – why these requirements	As SR shares are not being listed	In line with SEBI's ICDR Regulations.
43	NSE IFSC Ltd	13	Offer for Sale	In case of an offer for sale, the securities must have been held by the sellers for a period of at least one year from the date of filing of draft prospectus.	Usually companies transfer securities to SPV nearer to the date of OFS for legal/taxation perspective. However, the SPV is part of the same group - will it be allowed in such a case?	For the purpose of clarification	<p>This requirement is in line with SEBI's ICDR Regulations.</p> <p>Case specific exemptions, if required, can be considered under the provisions for providing relaxations by Authority.</p> <p>No change may be required.</p>
44	NSE IFSC Ltd	16.(1)	Filing Fees	16.(1) The issuer, through the lead manager(s), shall file a draft offer document along with fee as may be specified by IFSCA.	Provision can be there to waive the fees initially	For developing the interest and participation	We may have Fees. Fee structure has already been approved.
45	NSE IFSC Ltd	27	Reservation in IPO	<p>27. The issuer may make reservations on a competitive basis out of the issue size in favour of the following categories of persons and the same shall suitably be disclosed in the offer document:</p> <p>a) employees; b) directors; and c) shareholders (other than promoters and promoter group) of listed subsidiaries or listed</p>	Can be checked if this consistent with international regulations	For the purpose of clarification	<p>Yes. Broadly In line with SEBI's ICDR Regulations.</p> <p>We may limit reservations upto 20% of the issue size.</p>

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				promoter companies.			
46	NSE IFSC Ltd	28	Pricing	28. The issuer shall determine the pricing in consultation with the lead manager(s). The issue may be through a fixed price mechanism or through book building mechanism and the same shall be suitably disclosed in the offer document.	Can we look at alternative mechanisms of IPOs/FPOs e.g. Dutch auction.	To provide more options to issuer	Dutch Auction may lead to different pricing to different set of investors and may not be required. No change may be required.
47	NSE IFSC Ltd	32 & 33.	Allotment	32. The allotment to investors shall be on proportionate basis or discretionary basis and shall be disclosed in the offer document. No single investor shall be allotted more than 15% of the post issue capital. 33. The issuer and lead manager(s) shall ensure that the specified securities are allotted and the payments and refunds are completed within 5 working days from the date of closing of the issue.	Can be checked if internationally the allotment methodology is specified by Regulator	For the purpose of clarification	The provisions relating to allotment are very flexible providing both the options – (a) Proportionate and (b) Discretionary
48	NSE IFSC Ltd	35.	Post issue report	35. The lead manager(s) shall file a post-issue report with the recognised stock exchange(s) giving details relating to number, value and percentage of all applications received, allotments made, basis of allotment, subscription, details of credit of specified securities, details relating to payments and refunds, date of filing of listing application, etc. within ten working days from the date of closing the issue.	Can be checked if it is consistent internationally	For the purpose of clarification	Post issue reporting is a good practice and there would be transparency in terms of the issue process, allotment, payments and refunds. No change may be required.
49	NSE IFSC Ltd	36. (c)	Green Shoe Option	36. An issuer may provide a green shoe option for stabilising the post listing price of its specified securities, subject to the following conditions:	Need to understand this option	For the purpose of clarification	The limit of 15 % for over allotment in the case of green shoe option has also been provided in SEBI ICDR Regulations. No specific comment.

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				(c) the maximum number of specified securities that may be borrowed for the purpose of allotment or allocation of specified securities in excess of the issue size shall not exceed 15% of the issue size			
50	NSE IFSC Ltd	111.	Public Issue of debt securities on recognised stock exchange	The issuer shall appoint one or more merchant bankers as lead manager(s) to the issue and shall also appoint other intermediaries in consultation with the lead manager(s)	SEBI ILDS also includes the provision w.r.t the following: <ul style="list-style-type: none"> • Mode of Disclosure of Offer Document • Advertisements for Public issues • Abridged Prospectus and application forms • Electronic Issuances • Trust deed • Redemption and roll over 	Relevance for the same may be reviewed	The debt framework in the consultation paper is largely in line with the SEBI's ILDS Regulations. However, considering that the debt securities are currently being listed on the exchanges in terms of the already existing framework (IFSC Guidelines and Exchange's framework) and is immensely successful compared to other products, we may continue with the existing framework , rather than aligning with SEBI's ILDS Regulations. Accordingly, these regulations have been revised.
51	NSE IFSC Ltd	112.(1), 125. & 179.	Credit Rating	Public Issue of debt securities on recognised stock exchange 112 (1) The issuer shall obtain credit rating from at least one credit rating agency registered with any financial sector regulator. Listing of debt securities issued on a private placement basis 125 (1) The issuer shall obtain credit rating from at least one credit rating agency registered with any financial sector regulator Continuous Disclosures Requirements 179. The issuer shall promptly disclose to the stock exchange any revision in the credit	Requirement of obtaining credit rating may be removed.	As its not required in some foreign jurisdictions	The debt framework in the consultation paper is largely in line with the SEBI's ILDS Regulations. However, considering that the debt securities are currently being listed on the exchanges in terms of the already existing framework (IFSC Guidelines and Exchange's framework) and is immensely successful compared to other products, we may continue with the existing framework , rather than aligning with SEBI's ILDS Regulations. Accordingly, these regulations have been revised.

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				rating.			
52	NSE IFSC Ltd	123. (1) & 128	Creation of security	123 (1) The issuer shall give an undertaking in the Offer Document that the assets on which charge is created are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or <i>pari-passu</i> charge on the assets of the issuer has been obtained from the earlier creditor	As per relevant SEBI circular from 01-Apr-2021, in case of secured instruments, the issuer needs to submit a due diligence certificate from debenture trustee as per the prescribed format to the Exchange at the time of listing.	Relevance for the same may be reviewed	The debt framework in the consultation paper is largely in line with the SEBI's ILDS Regulations. However, considering that the debt securities are currently being listed on the exchanges in terms of the already existing framework (IFSC Guidelines and Exchange's framework) and is immensely successful compared to other products, we may continue with the existing framework , rather than aligning with SEBI's ILDS Regulations. Accordingly, these regulations have been revised.
53	NSE IFSC Ltd	124.	Designated Stock Exchange	An issuer may list its debt securities issued on private placement basis on a recognised stock exchange.	SEBI ILDS includes the following – Where the application is made to more than one recognized stock exchange, the issuer shall choose one of them as the designated stock exchange	Relevance for the same may be reviewed	The debt framework in the consultation paper is largely in line with the SEBI's ILDS Regulations. However, considering that the debt securities are currently being listed on the exchanges in terms of the already existing framework (IFSC Guidelines and Exchange's framework) and is immensely successful compared to other products, we may continue with the existing framework , rather than aligning with SEBI's ILDS Regulations. Accordingly, these regulations have been revised.
54	NSE IFSC Ltd	126.	Filing of Shelf Disclosure Document	(1) An issuer making a private placement of debt securities and seeking listing thereof on a recognised stock exchange may file a Shelf Disclosure Document containing disclosures as prescribed by the recognised stock exchange;	SEBI ILDS regulations covers the following point - Filing of Shelf Prospectus by the issuer, also not more than four issuances shall be made through a single shelf prospectus	It may be considered if found relevant	The debt framework in the consultation paper is largely in line with the SEBI's ILDS Regulations. However, considering that the debt securities are currently being listed on the exchanges in terms of the already existing framework (IFSC Guidelines and Exchange's framework) and is immensely successful compared to other products, we may continue with the existing framework , rather than aligning with SEBI's ILDS Regulations. Accordingly, these regulations have been revised.

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55	Nishith Desai Associates	7		<p><i>An issuer shall be eligible to list its securities under these regulations in IFSC only if,</i></p> <p><i>...(c) the listing of securities in IFSC is in accordance with the laws of the jurisdiction of incorporation.</i></p>	<p>We recommend that a clarification be provided under Sub-Clause (c) to set out the law that will take precedence in the event there are conflicting provisions between the laws of the jurisdiction of incorporation of the issuer and these Regulations.</p>	<p>It is frequent in cases where there are offshore parties involved, that the laws of jurisdiction of incorporation prescribe provisions or thresholds which are applicable to such party in specific for issuance or listing of securities by such entity offshore. As the regulations permit offshore entities to act as issuer under the Regulations, we recommend the proposed change with a view to ensuring clarity in the event there are contradictory provisions in the Regulations and the laws of the jurisdiction of the issuer's incorporation.</p>	<p>The compliance of both home jurisdiction laws and IFSC laws would be required for listing of securities in IFSC.</p> <p>No change may be required</p>
56	Nishith Desai Associates	10	Eligibility Criteria	<p>An issuer shall be eligible to make an initial public offer only if:</p> <p>a. the issuer has an average pre-tax profit, based on consolidated audited accounts, of at least USD one million during the preceding three financial years; or</p> <p>b. the issuer has an operating revenue of at least USD 20 million in the preceding financial year; or</p> <p>c. any other eligibility criteria that may be prescribed by IFSCA</p>	<p>We recommend Regulation 10 to be divided into 2 sub-clauses. Sub-clause 1 would contain the present provision as envisaged, and insertion of a new sub-clause along the lines of the provision in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") that allows the following:</p> <p><i>An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy -five percent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.</i></p>	<p>With a view to expanding the eligibility list in terms of the issuers that may offer securities for listing, the suggested provision from the ICDR Regulations may be considered to be inserted.</p>	<p>We do not have a separate class of investors such as QIBs in these Regulations. We understand that most of the investors would anyways by QIBs and HNIs initially.</p> <p>Also, the entry norms are not very stringent.</p> <p>No change may be required.</p>
57	Nishith Desai Associates	17(b)	Observations by IFSCA on draft offer document	<p>17. The Authority may issue observations, if any, on the draft offer document within thirty working days from the later of the following dates:</p> <p>....b) the date of receipt of satisfactory reply from the issuer where the Authority has sought any clarification or additional information from</p>	<p>We recommend inserting reference to the lead manager as well, viz. <i>a satisfactory reply from the issuer and/or the lead manager.</i></p>	<p>We have recommended the proposed change, with a view to ensure operational ease for the issuer during the period the draft offer document is being reviewed by the Authority.</p>	<p>May be considered</p>

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				them; or			
58	Nishith Desai Associates	19			We understand that the reference to 'Authority' is to the IFSCA. We recommend that the same be revised to IFSCA accordingly.	This is to avoid ambiguity.	Yes. Authority is already defined. No change may be required.
59	Nishith Desai Associates	30	Minimum Subscription	30.(1) The minimum subscription to be received in the issue shall be at least seventy-five percent of the issue size for the offer to be successful. (2) The minimum number of subscribers shall be 200 for the offer to be successful.	We recommend stating clearly that the two conditions mentioned under this paragraph are cumulative and not disjunctive to avoid confusion.	This is to avoid ambiguity in interpretation of the paragraph.	Yes. Both the conditions have to be fulfilled. Redrafted.
60	Nishith Desai Associates	37(3)	Lock up	(3) The specified securities held by the promoters and locked-up may be pledged as a collateral security for a loan granted by a scheduled commercial bank or a public financial institution or a systemically important non-banking finance company or a housing finance company for the purpose of financing one or more of the objects of the issue.	We recommend explicitly stating at the end of this statement that any pledge or collateralization of the specified securities will promptly (or within a stipulated time limit) be notified to the stock exchanges for public dissemination.	This disclosure will be with a view to ensuring that the members dealing in the listed securities, are aware of the security created over the specified securities.	All types of pledge/ encumbrance of shares by promoters may be required to be disclosed (irrespective of whether such pledge is for financing objects of the issue or not). May be considered separately under Continuous Disclosure Requirements.
60	Nishith Desai Associates	13 and 41	Offer for Sale	Regulations 13 and 41 - Offer for Sale	We understand that the reference 'form' is a typographical error which is to state 'from'.	This is to avoid ambiguity.	Corrected
61	Bharucha & Partners	6(2)(a)		(2)Notwithstanding (1) above, the following entities shall also be eligible in respect of listing of debt securities on a recognised stock exchange, - (a) any supranational, multilateral or statutory organisation/ institution /agency provided such organization /institution /agency is permitted to issue securities as per its constitution; and	Please consider defining the terms. Do consider adding the following. <i>"Provided that such entities are registered or headquartered in India or a foreign jurisdiction."</i>	The terms used have not been defined. Illustratively, supranational entity would be a company incorporated either in India or a foreign jurisdiction. Any entity issuing securities should either be in India or a country that is signatory to IOSCO's MMOU or a signatory to a bilateral MoU with the IFSCA.	May be considered

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62	Bharucha & Partners	8	General Eligibility Criteria	<p>8. An issuer shall not be eligible to list securities under these regulations if the issuer or any of its promoters, promoter group, controlling shareholders or directors or selling shareholders is -</p> <p>(a) debarred from accessing the capital market; or</p> <p>(b) a wilful defaulter; or</p> <p>(c) a fugitive economic offender.</p>	<p>Please consider expanding the prohibition to include the equivalent of wilful defaulter and fugitive economic offender, for non-India jurisdictions.</p>	<p>The prohibitions would apply to Indian companies since these terms are defined under Indian law.</p> <p>The definition ought to be extended to prohibit any entity that satisfies similar criteria in other jurisdictions</p>	<p>The prohibition is on wilful defaulters and fugitive economic offenders from other jurisdictions as well.</p>
63	Bharucha & Partners	10	Eligibility Criteria	<p>An issuer shall be eligible to make an initial public offer only if:</p> <p>a. the issuer has an average pre-tax profit, based on consolidated audited accounts, of at least USD one million during the preceding three financial years; or</p> <p>b. the issuer has an operating revenue of at least USD 20 million in the preceding financial year; or</p> <p>c. any other eligibility criteria that may be prescribed by IFSCA.</p>	<p>Please consider permitting entities that do not meet the eligibility criteria to issue securities to qualified institutional buyers only.</p>		<p>We do not have a separate class of investors such as QIBs in these Regulations. We understand that most of the investors would anyways by QIBs and HNIs initially.</p> <p>Also, the entry norms are not very stringent.</p> <p>No change may be required</p>
64	Bharucha & Partners	22(k)	Disclosures in Offer Document	<p>22. The offer document shall contain disclosures relating to the public offer, including the following:</p> <p>(k) Information with respect to group companies</p>	<p>Please consider amending this provision as set out below: <i>“Information with respect to group companies which has a material impact on the issuer”</i></p>	<p>The nature of the disclosure to be made in respect of group companies is ambiguous. The suggested change would provide guidance as to the nature of disclosure expected to be made. Also, absent a clarification, issuers may make extensive disclosures which may have no bearing on the issuer and would only serve to make the offer document long and unwieldy.</p> <p>A similar change ought to be made</p>	<p>Some basic details (such as list of companies) may be provided for all group companies.</p>

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						across the regulations.	
65	Bharucha & Partners	22(f)(xii)	Disclosures in Offer Document	22. The offer document shall contain disclosures relating to the public offer, including the following: (f) Particulars of the Issue (xii) Tax Implications	Please consider clarifying the reference to 'tax implication'	The reference to 'Tax Implication' is under the sub-head 'Particulars of the Issue'. However, the other entries under this sub-head are primarily linked to the objects of the issue. We assume that the disclosures expected under the 'Tax Implication' are any special tax benefits available to the Issuer or the investors – this should ideally form a separate sub-head	Separate Head may be considered.
66	Bharucha & Partners	30(2)	Minimum subscription		Please consider increasing the minimum number of subscribers from 200 to 500	This will ensure greater liquidity once the securities are listed	Since IFSC is currently at a nascent stage, we may keep no of subscribers currently at 200.
67	Bharucha & Partners	32	Allotment	The allotment to investors shall be on proportionate basis or discretionary basis and shall be disclosed in the offer document. No single investor shall be allotted more than 15% of the post issue capital.	Please consider reducing the maximum cap for a single shareholder from 15% to 10%	Given the lower threshold for minimum subscribers, a single shareholder holding 15% of the post issue capital could further reduce the liquidity in the security. Further, given that promoters can be expected to hold a significant stake post-issue, corporate governance could be impacted if the shareholding is concentrated in the hands of a few shareholders.	We may agree with the suggestion.
68	Bharucha & Partners	63(1)	Issue size of SMEs and Start-ups	The issue shall be of size not less than USD two million or any other amount as may be specified by IFSCA	Please consider imposing a cap on the Issue size	Chapter III which applies to initial public offerings (IPOs) by non-start up and non-SME companies has a minimum issue size of USD 15 million. If a start-up or an SME proposes to raise similar amounts of capital as a company making an initial public offer under Chapter III then such start-up or an SME companies should also be subject to similar restrictions as are applicable to other companies. Moreover, given that a start-up has been defined as an entity which has not achieved annual revenue	We may agree with the suggestion to have upper cap on issue size.

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						of more than USD 20 million in over 10 years, a cap of USD 10 million may be appropriate.	
69	Bharucha & Partners	Eligibility of SPAC			Please consider clarifying that a company can issue non detachable warrants along with specified securities	An IPO of a SPAC typically witnesses the issuance of warrants to the IPO subscribers. The warrants serve as sweeteners to make the IPO more attractive and enable the IPO subscribers to increase their stake in the SPAC at a low cost.	We may agree with the comments and specify provisions relating to warrants. We believe that detachable warrants are in the interest of investors. We may have this option for the issuers and investors.
70	Bharucha & Partners	71	SPAC		Please consider clarifying that the sponsors should specifically disclose any conflict of interests that they could have with potential targets		We may agree with the suggestions and specify provisions relating to addressing conflict of interest
71	Bharucha & Partners	71(g)(viii)	SPAC - Disclosures in Offer Document	71. The offer document shall contain disclosures relating to the public offer, including the following: (g) About the Issuer (viii) The limitation, if any, on the exercise of conversion rights for shareholders who vote against a proposed business acquisition	Please clarify the import of this provision	This provision appears to indicate that SPAC can restrict the ability of investors to exit the SPAC if they vote against the proposed business acquisition If the intention is to prohibit investors who have opted to exercise their conversion rights, from retaining their warrants – i.e., any shareholder tendering its shares would also need to surrender its warrants along with the shares for no additional consideration – the language of the provision should be framed in those terms. If not, this provision could lead to confusion and would be contrary to Regulation 82(2) which expressly permits a non-promoter shareholder from converting its securities into a pro rata portion of the amount deposited in escrow. Any restriction on the ability of shareholders to recover their investment in the event they do not approve of the proposed business acquisition goes against	We may agree with the comments. This may be deleted

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						the concept of SPACs and also would make such an IPO unattractive to potential investors.	
72	Bharucha & Partners	72(2)	The sponsors shall hold at least 20% of the post issue paid up capital.		Please clarify the duration for which such shareholding thresholds need to be maintained	<p>The provision simply states that the sponsors should hold 20% of the post issue paid up capital. It does not stipulate a time period for such holding.</p> <p>Please consider stipulating that the minimum percentage to be held by promoters would be valid for a period of, say for instance, 12 months after the business acquisition.</p> <p>Without such a clarification the sponsors would be required to maintain a 20% shareholding in perpetuity which will (a) not be viable, and (b) impinge on the ability of the SPAC to raise further capital after the business acquisition.</p>	<p>The pre-IPO shareholding is normally acquired by the sponsor of SPAC at a very less rate compared to IPO. Therefore, there is a need to balance interest of sponsor vs. investors.</p> <p>Globally, the sponsor has 20% post issue shareholding.</p> <p>Accordingly, the provisions may be revised to <i>“The sponsors shall hold at least 15% and not more than 20% of the post issue paid up capital”</i></p> <p>The lock-up provisions have already been mentioned.</p> <p>The sponsors are not allowed to redeem units nor any return during liquidation. This is in line with other jurisdictions.</p>
73	Bharucha & Partners	77(1)	Application size	(1) The minimum application size in an initial public offer of SPAC shall be USD 2,50,000	Please consider reducing the minimum investment amount to USD 100,000.	<p>Investment in securities listed in an IFSC by resident individuals are subject to the LRS of the RBI.</p> <p>Currently, the limit prescribed under the LRS is USD 250,000. If the minimum investment in SPAC is USD 250,000 the investor will not be able to make any other offshore remittances in that financial year. Moreover, if the investor has already made a remittance under the LRS in any given year, they would be unable to invest in a SPAC IPO.</p>	<p>In order to promote liquidity, more shareholders would be required. We may therefore revise the minimum application size to USD 100,000.</p> <p>Further, we may prescribe minimum no. of subscribers as 50 and no person being allotted more than 10% of the issue size.</p>
74	Bharucha & Partners	82		<p>(1) The SPAC issuer shall ensure that the proposed business acquisition is approved by majority of the votes cast by shareholders (other than sponsors(s)).</p> <p>(2) If a shareholder (other than</p>	This would, to the extent, the SPAC is incorporated in India require an amendment of the Companies Act, 2013.	<p>The Companies Act, 2013, permits an Indian company to acquire equity shares issued by it through a buy-back or reduction of capital. While the latter will be an extremely time consuming exercise the former is not permissible for a selective set of shareholders.</p>	Amendments in Companies Act, 2013 may be examined separately

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				sponsors) votes against a proposed acquisition, he shall have the conversion right for converting its securities into a pro rata portion of the aggregate amount deposited in the escrow account.		Therefore, specific amendments will need to be carried out to permit SPACs to 'convert' equity shares as contemplated.	
75	Bharucha & Partners	84	Liquidation		Please clarify that the underwriters shall not be entitled to any deferred underwriting commission in the event of a liquidation and delisting	This is in line with global best practices	<p>The following may be considered -</p> <p>(2) At least 50% of the underwriting shall be deferred until successful completion of the business acquisition, and shall be deposited in the escrow account.</p> <p>(3) In case of liquidation, the underwriter shall waive their rights on the deferred commission deposited in the escrow account.</p>
76	Bharucha & Partners	86	Business Acquisition	The SPAC issuer shall ensure that the businesses acquisition(s) shall have an aggregate fair market value equal to at least 80% of the aggregate amount deposited in the escrow account, excluding deferred underwriting commissions held in escrow and any taxes payable on the income earned on the escrowed funds	Please clarify if the intent is to permit multiple business acquisitions	The language of the regulation stipulates that "...SPAC issuer shall ensure that the businesses acquisition(s) shall have an aggregate fair market... " (emphasis supplied). The use of the highlighted words above could be interpreted to mean that the SPAC could acquire multiple targets in tranches.	<p>May be clarified in the definition of "business combination"</p> <p>(b) "business combination" means a merger or amalgamation or acquisition of shares or assets of one or more companies having business operations</p>
77	Bharucha & Partners		Business Acquisition		Please stipulate specific disclosures to be made by the SPAC at the stage of seeking approval of an acquisition	<p>Please consider providing the IFSCA the right to review and specifically approve schemes of amalgamation / mergers of the SPAC at the time of business acquisition.</p> <p>SEBI exercises similar powers during a merger of a listed company with an unlisted company.</p> <p>Further, if the business acquisition does not involve a scheme (since SPACs are permitted to engage in business acquisitions through acquisition of shares or assets as</p>	<p>While the requirements under Companies Act, 2013 and NCLT shall apply and in case of Indian Companies, we may receive scheme of amalgamations for comments, in respect of IFSC companies.</p> <p>However, our listing framework is applicable for companies based in IFSC, India and other FATF compliant jurisdictions.</p> <p>We may therefore require SPAC to disclose detailed prospectus prior to the business combination.</p>

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						<p>well) please consider mandating specific disclosures to be made regarding the target company. The SPAC should be required to make minimum disclosures regarding the target including its business, capital structure and financial position, to enable shareholders to make an informed choice.</p> <p>Further, in particular, any business acquisition should be based on a valuation report prepared by an independent valuer who is registered with the IFSC and such report should be made available to the shareholders as part of the information disclosed prior to approval of the business acquisition</p>	
78	Bharucha & Partners		Exit Option		Please consider providing the shareholders an option of exiting the SPAC if there is a change in control of the Sponsor(s)	Investment by shareholders in the SPAC is driven to a large extent on the reputation and expertise of the Sponsor. In the event the control of the Sponsor changes the shareholders should be given an option of converting their securities and exiting the SPAC.	May be considered
79	Bharucha & Partners	Chapter VII	Depository Receipts		Please clarify whether the contents of this Chapter are in supersession of, or in addition to, the extant IFSC framework	<p>The IFSCA has issued a regulatory framework for listing of depository receipts in the IFSC through Circular bearing no. F. No. 87/IFSCA/DRs/2020-21 dated 28 October 2020.</p> <p>The said circular was issued in exercise of powers conferred by section 12 of the International Financial Services Centres Authority Act, 2019.</p> <p>The clarification will eliminate any confusion emanating from the existence of parallel regulatory frameworks for issuance of depository receipts in the IFSC, particularly since the contents of</p>	May be considered in the Repeal and Savings

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						Chapter VII are not as extensive as those in the aforementioned circular.	
80	Enefu Advisors LLP	14	Lead Manager	The issuer shall appoint one or more merchant bankers as lead manager(s) to the issue and shall also appoint other intermediaries in consultation with the lead manager(s).	Suggested change: The issuer shall appoint one or more merchant bankers as lead manager(s) to the issue and shall also appoint other intermediaries or ancillary services providers, who are recognised and regulated by IFSCA, without the consultation of or in consultation with the lead manager(s).	Mentioned below	This provision is regarding mandatory appointment of lead manager and intermediaries by the issuer. There is no prohibition on the ancillary service providers playing a role in listing of SPAC. No change may be required
<p>Rationale for point 80 above: There will be many services that cannot /may not be provided by Merchant Bankers (for example, ancillary services mentioned in the circular “Framework for enabling Ancillary services at International Financial Services Centres” of IFSCA dated February 19, 2021.) The other intermediaries/ ancillary services providers are expected to fill the void and build the robust eco-system for Initial Public Offer. In that case, it is important for transparency reasons that such any other intermediaries / ancillary services providers are recognised and regulated by IFSCA. If such service providers are not regulated, there is also a risk of such intermediaries / ancillary services providers from the foreign jurisdiction playing some role in the Initial Public Office at IFSC. Thus some value creation/revenue generation in this process will move to the offshore location and India will the opportunity in employment generation and collection taxes. Sometimes, it is also possible that (especially for foreign private companies from Europe /Africa etc. other intermediaries/ ancillary services providers will be providing IPO related services even before Merchant Banker is hired by the IPO issuing company. Thus some flexibility should be provided in the regulation to let the IPO issuing company to also hire intermediaries/ ancillary services providers without the consultation of lead manager(s) and even before hiring the Lead manager(s). Sometimes, some intermediaries will play the crucial role of bringing IPO candidate companies/SPAC sponsors (especially from out of India) to IFSC and they will build their service portfolio accordingly. Such intermediaries will play the crucial role of build the eco-system of SPAC/IPO listing. In most of the cases, their role will happen before the Sponsor/ IPO Candidate Company decides to go for listing at IFSC. Thus, it is important that such intermediaries are regulated and should be given freedom to conduct its activities before the Lead Manager(s) are appointed and consulted for the IPO process.</p>							
81	Enefu Advisors LLP	42	Follow on Public Offer - Lead Manager	The issuer shall appoint one or more merchant bankers as lead manager(s) to the issue and shall also appoint other intermediaries in consultation with the lead manager(s).	Suggested change: The issuer shall appoint one or more merchant bankers as lead manager(s) to the issue and shall also appoint other intermediaries or ancillary services providers , who are recognised and regulated by IFSCA, without the consultation of or in consultation with the lead manager(s)	Same as 80 above	Same as 80 above
82	Enefu Advisors LLP	66	SPAC – Eligibility	The primary objective of the issuer is to effect a merger or amalgamation or acquisition of shares or assets of a company having business operations (“business acquisition”)	Suggested change The primary objective of the issuer is to effect a merger or amalgamation or acquisition of shares or assets of one or more companies having business operations (“business acquisition”)	Sometimes, the issuer has a strategy to acquire and combine multiple businesses. There are such examples in US SPAC market where multiple businesses are acquired as a part of SPAC deal.	Definition of Business Combination may be revised to – “business combination” means a merger or amalgamation or acquisition of shares or assets of one or more companies having business operations
83	Enefu Advisors LLP	72	SPAC Issue size	The issue shall be of size not less than USD fifty million or any other amount as may be specified by IFSCA from time to time	Suggested change The issue shall be of size not less than USD twenty five million or any other amount as may be specified by the IFSCA from time to time.	There is a need to re-evaluate the minimum issue size for the SPAC listing. Of course, all most all of the SPAC deals in the US are of greater size than \$50 Million. However, the valuation of the target business in	Considering that globally there are some concerns around SPACs, we may allow only the larger SPACs initially. No change may be required.

						US is also much higher compared to the valuation of the most of the private start-up/SME in India	
84	Enefu Advisors LLP	77	SPAC – Application size	The minimum application size in an initial public offer of SPAC shall be USD 250,000	Reduce the application size		<p>In order to promote liquidity, more shareholders would be required. We may therefore revise the minimum application size to USD 100,000.</p> <p>Further, we may prescribe minimum no. of subscribers as 50 and no person being allotted more than 10% of the issue size.</p>
<p>Rationale for 84 above: The minimum application size of USD 250,000 is too high to attract any retail investors. Furthermore, most of the HNIs will also be not keen to invest such a big amount in the one SPAC deal. Of course, SPAC deals are always have significant risk element involved that retail investors might not be able to comprehend and are not suitable for such risk profile. In the intent of the IFSCA is to Safeguard the retail investors in the early days of SPAC listing, it is very valid reason. However, there will be some downside of keeping the minimum application size to USD 250,000 for HNIs. First of all, it will rather increase the portfolio concentration of only one or few SPAC application by such HNIs instead of applying for many more SPACs and thus diversifying the investment exposure. If the intent of the IFSCA in the early days of SPAC listing is to only promote institutional investors to apply for SPAC considering their professional capabilities to through due-diligence before applying for IPO, it is again very valid reason. The minimum application size of USD 250,000 for each SPAC may also impact the overall capital available for such SPACs. If such situation arises, many SPACs may not be able to raise minimum subscription for successful SPAC listing which in the end will impact the overall SPAC ecosystem. If retail and HNI participation is indeed the area of focus then some alternative structure of minimum and maximum allotment size should be created. For example, if the maximum allotment size of USD 10,000 for the retail investor and maximum allotment size of USD 50,000 can be created to encourage their participation in SPAC however limit their risk exposure.</p>							
86	Enefu Advisors LLP	83	SPAC Specific Obligations		<p>Proposed change</p> <p>Add new clause (3) <i>"The SPAC issuer/sponsors shall ensure that any appointed intermediaries or ancillary services providers shall be recognised and regulated by IFSCA."</i></p>	<p>There will be many critical services (other than the service of Lead Manager) (such as legal, compliance, auditing, acquisition advisory services etc.) to be provided to issuer /sponsors. It is important to regulate any intermediaries or ancillary services providers to the issuer/sponsors for the transparency purpose. It is also important to make sure such services are not provided by the offshore located service providers. Any opportunity for value creation, employment, taxes, and ecosystem development should happen in India (IFSC).</p>	<p>The regulatory requirements relating to ancillary services have been prescribed separately by IFSCA.</p> <p>May not be required in these Regulations.</p> <p>No change may be required.</p>
87	Enefu Advisors LLP	83	SPAC Specific Obligations		<p>Add new clause (4) <i>The business acquisition shall not be connected in any way with the sponsors or the related party of the sponsors</i></p>	Mentioned below	We may agree with the suggestions
<p>Rationale for 87 above: The SPAC sponsors are generally known VC/PE/Hedge Fund manager/ asset manager/ Successful entrepreneur/ celebrities etc. It is important to restrict indirect way of listing companies connected with the sponsors by the route of SPAC. For example, if the Sponsor is a Venture Capital (VC) investor, he should be discourage to acquire the portfolio company of his VC fund where he is working as a partner or employee or as an director to avoid any conflict of interest. Sometimes, it is possible that the business acquisition (in this case portfolio company of VC sponsor) is struggling to raise additional money/get it acquired in the private market and it will not be able to go for IPO/Direct listing on its own fundamentals. In that case such VC sponsor (with clear conflict of interest) would opt to</p>							

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SPAC listing and acquire the company he is connected with. Ideally, the motive of the SPAC listing is to first raise the capital and then scout for good acquisition target for the SPAC on the basis of the Sponsors' unique ability to identify good company. SPAC listing mechanism must not be encouraged to reverse merger an entity where the sponsor clearly has a conflict of interest.							
88	ICSI				The draft regulation is silent about Rights issue, bonus issue, QIP etc. Provisions for issuance of the same may be provided in the draft regulation.		Rights Issues, Bonus Issues, QIP etc. are pursuant to listing of companies on the Exchanges. We may consider dealing with detailed requirements regarding these provisions at a later stage.
89	ICSI	4			Here, the Applicability is silent about Secondary Listing.		May be considered
90	ICSI	5	Definitions	Words and expressions used and not defined in these regulations but defined in the Act, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act 1996, or any rules or regulations made thereunder shall have the same meanings respectively assigned to them in those Acts, rules or regulations made thereunder or any statutory modification or re-enactment thereto, as the case may be.	Reserve Bank of India Act, 1934, Rules, Regulations, Circulars and Notifications issued thereunder may be added.	The draft Regulation 8 uses the word 'wilful defaulter' which has been defined in master circulars issued by RBI.	The definition of "wilful defaulter" by RBI is only in the context of India. No change may be required.
91	ICSI	17	Observations by IFSCA on draft letter of offer	IFSCA may issue observations, if any, on the draft offer document within thirty working days from the later of the following dates: a) The date of receipt of the draft offer document; or b) The date of receipt of satisfactory reply from the issuer where IFSCA has sought any clarification or additional information from them; or c) The date of receipt of	It would be better if the objections/observations, if any, from IFSCA on the offer document should be provided to the issuer. The thirty day period should be calculated from this date of receipt of objections as forwarded by IFSCA to the issuer.	Clauses (a) to (d) under Regulation 17 seem to be a bit confusing. To have clarity on time frame of filing the reply to the observation/objections of IFSCA, it would be better if the cut-off date is kept as the date of receipt of objections on the draft offer document.	The comments of ICSI are not clear. These provisions relating to timelines for issuance of observation letter are broadly in line with the SEBI's ICDR Regulations. No change may be required.

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				clarification or information from any regulator or agency, where IFSCA has sought any clarification or information from such regulator or agency; or d) The date of receipt of a copy of in-principle approval letter issued by the stock exchange(s).			
92	ICSI	33	Allotment	The issuer and lead manager(s) shall ensure that the specified securities are allotted and the payments and refunds are completed within 5 working days from the date of closing of the issue	The Draft regulation is silent about the rate of interest need to be paid by the issuer in case of application moneys are not refunded within the stipulated period. It is suggested to align it with Regulation 120 of this Consultation Paper where a specified rate of interest is mentioned.	In order to place a check on the delay in refund of application moneys.	We may not prescribe interest rate for delay in payment in the Regulations. No change may be required
93	ICSI	134	ESG focused debt securities – Additional Continuous Disclosure Requirements	An issuer shall provide information about the intended use and actual utilisation of proceeds from the issue, at least on an annual basis, after verification by the report of an external auditor: Explanation: The aim of such reporting shall be to inform the public about how funds are being allocated to projects and, where feasible, the expected environmental, social and sustainable impacts.	A Company Secretary in Practice may be authorised to issue report on the utilisation of proceeds from the issue.	Mentioned below	We may not restrict it to CS No change may be required

Rationale for 93 above: A Company Secretary is covered under the definition of an 'expert' under section 2(38) of the Companies Act, 2013, who along with other professionals under this section has the power or authority to issue a certificate in pursuance of any law for the time being in force.

The curriculum of the Company Secretaryship course *inter alia* includes detailed study of the subjects Company Law, Securities Laws, Fundamentals of Accounting and Auditing, Corporate and Management Accounting, Tax Laws, Indirect Tax and GST, Direct Tax Laws & Practice and Financial and Strategic Management.

Company Secretary is widely acclaimed for his understanding of laws not only from a legal perspective but also from a management and technical perspective.

A PCS is authorised to undertake the following certification / audit services:

- to certify the shareholding pattern of a Gas Exchange or a Clearing Corporation under Regulation 18(4) and 19(3) of the Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020.
- to issue Certificate in relation to Reconciliation of Share Capital i.e. reconciliation of total issued capital, listed capital and capital held by depositories in dematerialized form under Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018
- to issue Certificate in Form PAS-6, for every unlisted public company in respect of Reconciliation of Share Capital i.e. reconciliation of total issued capital, listed capital and capital held by depositories in dematerialized form under sub-rule(8) of rule9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- to certify e-Form BEN-2 relating to significant beneficial owners of the company disclosing their interest in the company by way of shareholding or voting rights.

- to oversee all the compliances relating to issue of depository receipts and to provide compliance report to be placed at the Board meeting to be held immediately after closure of all formalities of the issue of depository receipts (Rule 4 of the Companies (Issue of Global Depository Receipts) Rules, 2014.
- to conduct internal audit under section 138 of the Companies Act, 2013.
- to conduct internal audit of Registrar to an Issue and Share Transfer Agent, Stock Brokers/ Trading Members/ Clearing Members, Credit Rating Agencies, Investment Advisers, Research Analysts.

In view of the educational background, recognitions accorded to the PCS and expertise possessed by them, PCS may be authorised to issue report on the utilisation of proceeds from the issue.

This report will give assurance to the Authority about the intended use and actual utilisation of proceeds from the issue by the issuer.

94	ICSI	135	ESG focused debt securities – Additional Continuous Disclosure Requirements	<p>The following additional disclosures shall be provided along with the annual report, until full allocation of the proceeds:</p> <p>a) <i>Allocation Report</i>: List of project(s) and/or asset(s) to which proceeds of the debt securities have been allocated/invested including a brief description of such project(s) and/or asset(s) and the amounts disbursed:</p> <p>b) <i>Impact Report</i>: Qualitative performance indicators and, where feasible, quantitative performance measures of the ESG impact of the project(s) and/or asset(s).</p>	A Company Secretary in Practice may be authorised to certify Allocation Report and Impact Report.	<p>A Company Secretary in Practice is authorised to certify Form CSR-1 relating to Registration of Entities for undertaking CSR Activities under Rule 4(2)(b) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.</p> <p>This certification will give assurance to the Authority about the intended use of proceeds of the debt securities where these have been allocated/invested and ESG impact of the project(s) and/or asset(s).</p>	<p>We may not restrict it to CS</p> <p>No change may be required</p>
95	ICSI	142	Disclosures	A listed company shall immediately disclose to the stock exchanges any amendment to memorandum or articles of association of listed entity.	A specified time period can be defined to remove ambiguity.	Timelines of the SEBI LODR Regulations, 2015 may be adopted to maintain the uniformity.	<p>We may agree with the comments.</p> <p>Immediately shall mean within 24 hours. The same may be mentioned.</p>
96	ICSI	143	Disclosures	<p>The listed company shall give prior intimation about the meeting of the board of directors and promptly disclose outcome of the meeting of the board of directors, to the stock exchange(s) in respect of any of the following proposals:</p> <p>(a) dividends;</p>	The draft regulation is silent about the provisions w.r.t disclosures of information having a material bearing on the price of securities i.e. appointment of director or KMP or any unforeseen circumstances etc. A specified time limit to intimate the same may be prescribed.		<p>Disclosure of material events or price sensitive information has already been mentioned in the Regulations.</p> <p>Additionally, there are specific requirements in case of change of directors and KMPs as these events could be red flags and relevant for the public.</p> <p>No change may be required</p>

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				(b) buyback of securities; (c) decision with respect to fund raising or change in capital; (d) financial results; and (e) decision on voluntary delisting by the listed entity from stock exchange(s).			
97	ICSI	147	Appointment of special auditor	IFSCA or the stock exchange may require an issuer to appoint a special auditor to review or investigate the issuer's affairs and report its findings to the stock exchange or the issuer's Audit Committee.	A Company Secretary in Practice may be recognised for appointment as special auditor.		We may not restrict it to PCS. No change may be required.
<p>Rationale for 97 above: Company Secretary is well versed with memorandum of association, articles of association, byelaws, and ownership and governance structure of a company and can ascertain requirements relating to governance structure, capital structure, shareholding, net worth, track record, etc.</p> <p>Company Secretary is provided with exhaustive exposure by the ICSI through coaching, examination, rigorous training and continuing professional development programmes and is governed by the Code of Conduct as prescribed in the Company Secretaries Act, 1980.</p> <p>A Company Secretary in Practice (PCS) renders various services viz. audit, certification/ attestation, compliance, advisory, representation and arbitration, conciliation services and the other services as prescribed under Section 2(2) of the Company Secretaries Act, 1980.</p> <p>A PCS is authorised to undertake the following certification and audit services:</p> <ul style="list-style-type: none"> to certify that the applicant has complied with all the requirements relating to registration fees, share capital, deposits and other requirements of the Insurance Regulatory and Development Authority Act, 1999. [IRDA (Registration of Indian Insurance Companies) Regulations, 2016 (Regulation 10)] to issue Certificate in case of the Indian company accepting the investment from a foreign investor, thereby confirming compliance of Companies Act, 2013 and other matters. [As per Para 9(1)(B)(i) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000] to certify that all certificates have been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls /allotment services under Regulations 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. to certify compliance of conditions of Corporate Governance under Schedule V, Clause E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. to conduct Secretarial Audit under Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 certifying that the company has complied with all the applicable laws. to issue Annual Secretarial Compliance Report to every listed entity and its material unlisted subsidiaries incorporated in India on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder [Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] to issue Certificate of Compliance under section 232(7) of the Companies Act, 2013 and rules made thereunder in respect of a scheme of mergers and amalgamation. to issue Diligence Report on half yearly basis, regarding compliance of various statutory prescriptions, as prescribed in the specimen under the Reserve Bank of India Circular No. DBOD NO. BP.BC.46/08.12.001/2008-09 dated September 19, 2008. 							
98	ICSI	152, 154 and 167	Corporate Governance	The listed company shall describe its corporate governance practices in its annual report, in the manner prescribed by the laws in its	The Corporate Governance compliances may be certified by a Company Secretary in Practice in case of companies incorporated in India and by an Independent Professional in case of companies incorporated outside		We may not restrict it to Company Secretary for Indian Companies. No change may be required.

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				home jurisdiction.	India. It would be better if the coverage and format relating to corporate governance practices is prescribed to seek information about the same from the issuer company.		
99	ICSI	155	Sustainability Report	The listed company shall disclose to the stock exchanges a sustainability report with respect to environmental, social and governance factors for its financial year, no later than 5 months after the end of the financial year	A Company Secretary in Practice may be authorised to certify sustainability report.		We may not restrict it to Company Secretary No change may be required
100	ICSI	162	Disclosure of Financial Statements	The listed company shall disclose to the stock exchange(s) the audited financial statements for the full financial year immediately after the finalisation of accounts.	Here no time limit has been prescribed within which the audited financial statements are to be disclosed.	Instead of disclosing financial statements immediately after finalisation, a timeline of 60 days may be specified as a timeline of 45 days is prescribed for submitting the quarterly financial statements.	The finalisation of annual report may take more than 60 days, depending upon the timelines provided in their respective jurisdictions. Therefore, outer timeline of 6 months may be provided (in line with current requirements of India INX and NSE IFSC for debt securities)
101	ICSI	175	Disclosure of Financial Statements	The issuer shall disclose to the stock exchange(s) the audited financial statements for the full financial year immediately after the finalisation of accounts.	Here no time limit has been prescribed within which the audited financial statements are to be disclosed.	Instead of disclosing financial statements immediately after finalisation, a timeline of 60 days may be specified as a timeline of 45 days is prescribed for submitting the quarterly financial statements.	The finalisation of annual report may take more than 60 days, depending upon the timelines provided in their respective jurisdictions. Therefore, outer timeline of 6 months may be provided (in line with current requirements of India INX and NSE IFSC for debt securities)
102	ICSI	178	Disclosure of annual report	The issuer shall submit to the recognised stock exchange a copy of the annual report immediately after the finalisation of the same.	Draft regulations are silent on the time period within which the annual report should be submitted.	The issuer can be made to submit the annual report within some specified time period i.e. 45 days.	The finalisation of annual report may take more than 60 days, depending upon the timelines provided in their respective jurisdictions. Therefore, outer timeline of 6 months may be provided (in line with current requirements of India INX and NSE IFSC for debt securities)
103	ICSI	182	Rejection of application	The stock exchange(s), in its discretion, may reject an application for admission to list securities if it considers that- a) listing of securities would be detrimental to investors' interests; or	The words " or will not comply " in Clause (b) may be deleted.	"Will not comply" connote that the regulators know beforehand that the issuer will not comply with the prescribed norms.	If the stock exchange has reasonable grounds to believe that the issuer will not comply with the requirements, it can reject the application. No change may be required.

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				b) the issuer does not comply or will not comply with any requirement prescribed by IFSCA or the recognised stock exchange(s).			
104	ICSI	184	Restoration of suspension	The stock exchange(s) may restore trading of securities that have been suspended if it considers that the suspension is no longer required.	The suspension in the trading of securities should be for specified period say 3 months /6 months /12 months. Here, the proposed norms are silent on the suspension period. Whereas to ensure compliance and maintain transparency suspension period should be specified.	Specifying the period will bring clarity.	These provisions would be applicable post listing of the securities. Based on experiences, granular details regarding suspension may be specified at a later stage. No change may be required at this stage.
105	ICSI		Other Suggestions		Penalties for non-compliance/ non-disclosure may be included in the Draft Regulations.		Penalties specified in SEBI Act are applicable in IFSC, in terms of Section 13(1) of the IFSCA Act, 2019 No change may be required.
106	IDFC AMC	27 and 64	Reservation of issue size under IPO		Reservation for QIB in an IPO: Maximum per cent of shares in an IPO which can be allocated to QIB can be specified.	The Qualified Institutional Buyer (QIB) category includes a whole range of financial institutions such as mutual funds, insurers, banks and foreign institutional investors (FIIs). Reservation in an IPO for QIBs will develop greater interest in Mutual Fund Industry.	We do not have any QIB category, as it is understood that most of the entities currently would be QIBs or HNIs. Also, there is flexibility in terms of both proportionate as well as discretionary allotment. No reservation for QIBs may be required at this stage.
107	IDFC AMC	6		Entities eligible to list its securities under these regulations: (a) A company incorporated in an IFSC; (b) A company incorporated in India; and (c) A company incorporated in a foreign jurisdiction.	Foreign Security: Securities of companies listed at IFSC should be allowed to qualify as foreign securities for the purpose of mutual fund investment.	Mutual Fund schemes are allowed to invest in Foreign securities. Considering this suggestion, securities listed at IFSC can receive lot of traction and volume at the stock exchange.	Securities in IFSC are classified as Foreign Securities. Clarity, if required, may be taken up separately. No change may be required in these Regulations.
108	SBI FMPL				Provide for delisting	Any company and its stakeholders would like to know provisions for both entering IFSC exchange and exit option.	High level provision relating to Delisting already provided - <i>The stock exchange(s) may delist securities, based on request received from the company, in the manner that may be prescribed by the recognised stock</i>

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							exchange(s) or IFSCA Detailed regulations / guidelines /circulars may be prescribed later by the stock exchanges or IFSCA.
109	SBI FMPL				Need to provide clarity for registration of lead manager	Whether the lead manager has to be governed by the same regulator as the exchange. That's the current practice in India. Therefore, whether the lead manager should be registered with IFSCA or not should be clarified.	May be taken up separately No change may be required in these Regulations.
110	SBI FMPL	30(2)	Minimum Subscription	The minimum number of subscribers shall be 200 for the offer to be successful.	Minimum number of subscribers may be kept at 50-100	To attract companies and investors initially it is advisable to keep the eligibility criteria lower for 2-3 years. This would help in enhancing the number of companies opting for listing and therefore liquidity.	We may mention "or as may be specified by the Authority". Based on feedback from initial listings, this may be specified by the Authority.
111	Suranjali Tandon, Assistant Professor; and Ganesh Gopalakrishnan, Research Fellow National Institute of Public Finance and Policy (NIPFP)	129 and 130	ESG Focused Debt Securities		The treatment of 'sustainability-linked' debt securities ("SLDS") at par with 'green', 'social', and 'sustainable' debt securities is not appropriate. There should be separate and specific monitoring regulations in place in respect of SLDS. Regulation 134 (<i>Additional Continuous Disclosure Requirements</i>) of the draft Regulations is not sufficient in this respect, as it pertains to (i) deployment of proceeds; and (ii) <i>expected</i> environmental, social and sustainable impacts. This is not adequate to reflect to the <i>actual</i> fulfilment of pre-determined ESG objectives which may affect financial/ other linked benefits.	Unlike 'green', 'social', and 'sustainable' debt securities, whose eligibility is determined on the basis of deployment of user proceeds, SLDS are typically issued in lieu of general purposes with certain financial/ other benefits applying in case certain pre-determined objectives (that pertain to ESG) are met. As set out by the Sustainability-Linked Bond Principles set out by the ICMA (<i>referred to under Regulation 130(1)(d) of the draft Regulations</i>), ¹ the proceeds of SLDS are ' <i>intended to be used for general purposes, hence the use of proceeds is not a determinant in its categorisation</i> '. As a result, the monitoring must not only cover the deployment of user proceeds, but must additionally operate on a continuous basis to determine	We may agree with the comments. Our detailed comments in below row.

¹ Pg. 2, Sustainability-Linked Bond Principles, Voluntary Process Guidelines, International Capital Markets Association, June 2020, available here: <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Sustainability-Linked-Bond-Principles-June-2020-171120.pdf> (last accessed on 23 March 2021).

						whether the pre-determined ESG objectives have been satisfactorily met. Regulation 134, in its present form, should apply differently in respect of SLDS as it is inadequate.	
<p>Our Comments: We should treat SLDS differently from green, social and sustainable bonds. SLBs are a forward-looking performance-based instrument. Issuers commit explicitly (including in the bond documentation) to future improvements in sustainability outcome(s) within a predefined timeline. The proceeds of SLBs are intended to be used for general purposes, hence the use of proceeds is not a determinant in its categorisation.</p> <p>Sustainability-Linked Bonds incentivise the issuer's achievement of material, quantitative, pre-determined, ambitious, regularly monitored and externally verified sustainability (ESG) objectives through Key Performance Indicators "KPIs" and Sustainability Performance Targets ("SPT").</p> <p>While green bonds and social bonds focus on raising capital for specific sustainable projects, sustainability-linked bonds (SLBs), behave more like conventional debt instruments. They include specific features related to a set of environmental, social, governance (ESG) KPIs. Depending on annually audited ESG metrics, for example, a company will pay a higher or lower interest rate on the debt, thus providing a powerful incentive for the issuer to work toward more sustainable processes and goals.</p> <p>The ICMA's SLB Principles recommend that issuers publicly communicate their rationale for the selection of their KPI(s) (i.e. relevance, materiality), the motivation for the SPT(s) (i.e. ambition level, consistency with overall strategic planning and benchmarking approach), the potential change of bond financial and/or structural characteristics and the trigger events leading to such a change, intended post issuance reporting and independent verification, as well as an overall representation of the issuer's alignment with the SLBP.</p> <p>The requirements in respect of SLDS may therefore be revised, in accordance with the ICMA Principles.</p>							
112	ST and GG, NIPFP	130(3)(a) and (c)	ESG focused Debt Securities		Reference to 'bonds' to be modified to 'debt securities' to maintain consistency across the draft Regulations.	The term 'debt securities' has been otherwise used in this Chapter and has been defined under Regulation 2(d) (<i>Definitions</i>) of the draft Regulations. It has been defined as a wider term that includes bonds. The other references to the term 'bond' under the draft Regulations are only incidental.	May be considered.
113	ST and GG, NIPFP	130(3)(c)	ESG focused Debt Securities	<p>The entity appointed by the Issuer to conduct such an external review shall meet the following criteria:</p> <p>a) Reviewer should be independent of the entity issuing the bond, its directors, senior management and advisers.</p> <p>b) Reviewer should be remunerated in a way that prevents any conflicts of</p>	<p>The draft Regulations appear to have made changes to the language set out by the Sustainable Bond Market (SBM) Factsheet issued by the London Stock Exchange, with the effect being that the expression '<i>sufficient financial and market-specific expertise</i>' under the draft Regulation now appears to qualify only the reviewing entity's ability to perform a comprehensive assessment of the use of proceeds.</p> <p>The expression '<i>sufficient financial and</i></p>	<p>We note that the criteria set forth under this sub-regulation are very similar in language and scope to Section 5.1.1 of the Sustainable Bond Market (SBM) Factsheet issued by the London Stock Exchange dated 11 October 2019² and Paragraph 1(a)(iii) of Annexure C (<i>Additional Disclosure Requirements for Securities classified as Green/ Social/ Sustainable</i>) of the Circular on Listing of Debt Securities on Global</p>	<p>We may agree with the comments.</p> <p>Revised clause may be:</p> <p><i>Reviewer shall have sufficient expertise in assessing ESG debt securities</i></p>

² Available here: https://www.lseg.com/sites/default/files/content/documents/Sustainable_Bond_Market_Factsheet_FINAL%20%2811_10_2019%29.pdf?_ga=2.7119794.1246560170.1616396486-1507090972.1616396486 (last accessed on 22 March 2021).

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				interests arising as a result of the fee structure. c) Reviewer should be an entity specialising in assessing the framework of the bonds intended objectives, with sufficient financial and market-specific expertise to perform a comprehensive assessment of the use of proceeds.	<i>market-specific expertise</i> must also qualify the entity's ability in assessing the framework of the debt securities' intended objectives, similar to the language under the SBM Factsheet.	Market Securities issued by the India International Exchange. ³ However, unlike the SBM factsheet, where '(i) affiliation with relevant and widely recognized industry bodies; and (ii) significant and appropriate previous experience in providing external reviews on green bonds' is used as an example qualifying both (a) assessing the framework of bonds' environmental or social objectives; <u>and</u> (b) providing an assessment of the use of proceeds, the language under the draft Regulation requires ' <i>sufficient financial and market-specific expertise</i> ' only in respect of the auditor's ability to undertake a comprehensive assessment of the use of proceeds.	
114	ST and GG, NIPFP	130(4)	ESG focused Debt Securities		The provision may be reconsidered as it may be (i) superfluous; and (ii) beyond the scope of the draft Regulations.	Mentioned in below row	We may agree with the suggestions. May be deleted.
<p>Rationale for 114 above: Conditions related to illegality are generally covered under the listing rules/ regulations issued by the relevant Exchange (as an example, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 does not contain illegality as a ground), and in the laws of the jurisdiction where the investments are proposed to be made. The offer document/ information memorandum, as the case may be, will further typically set out the intended use of the proceeds, and that it is in compliance with all the applicable laws.</p> <p>There are several operational checks to ensure that the issuer, the securities and the proceeds are in compliance with applicable laws. As examples, Paragraph 4 (<i>Validity</i>) of the Circular on Listing of Debt Securities on Global Market Securities issued by the India International Exchange states that the '<i>Securities to be admitted to trading must conform with the law of the issuer's place of incorporation, be duly authorised according to the requirements of the issuer's constitutional documents and have the necessary statutory or other consents from the relevant authorities as per the law of the issuer's place of incorporation.</i>' The investment laws of the jurisdiction in which the investment is proposed to be made will also apply at the time of using the proceeds to make the intended investments. Further, actions in respect of the securities are typically carried out through a depository or custodian who is required to be registered in a FATF member jurisdiction.⁴</p>							
115	ST and GG, NIPFP	131(a)	ESG focused Debt Securities		The term 'Debt Securities' should be uncapitalized to maintain consistency.	Self-explanatory.	We may agree.
116	ST and GG, NIPFP	131(b)	ESG focused Debt Securities	The issuer shall make the following additional disclosures in the offer document or information memorandum, as the case may be: (b) The process for evaluation and selection of eligible	The expression ' <i>evaluation and selection</i> ' is vague, and does not clearly communicate the requirements of the additional disclosures to made in the offer document/ information memorandum. Sub-regulation 131(b) may be omitted in entirety.	The selection of ' <i>eligible project(s) and/ or asset(s)</i> ' is underpinned by business/ commercial reasons and is not typically disclosed in the offer document/ information memorandum. For the purposes of this Chapter of the draft Regulations, it suffices to know the	We may continue to have this additional disclosure in the offer document as disclosure on process for project evaluation and selection is an international practice and also prescribed by ICMA. May be redrafted for better clarity –

³ Available here: https://www.indiainx.com/download/IndiaINX_Framework_on_DebtSecurities.pdf (last accessed on 23 March 2021).

⁴ See, Paragraph 11 (*Depository and Custodian*), Circular on Listing of Debt Securities on Global Market Securities, India International Exchange.

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				project(s) and/or asset(s) including towards refinancing of existing project(s) and/or asset(s), if any		expected ESG outcomes.	b) Details of process followed by the issuer for evaluating and selecting the project(s) and/or asset(s).
117	ST and GG, NIPFP	132	ESG focused Debt Securities	The issuer may obtain third party certification for its debt securities by a qualified third party/certifier and such third party certification shall be disclosed in the offer document or information memorandum	(i) If the reference to the third-party certification is the same being referred to under Regulation 130(2), there should be a reference to Regulation 130(2); (ii) Regulation 132 may be added to Regulation 131 to avoid confusion; and (iii) It is also unclear that in case the reference is to any other third-party certification, whether only those that pertain to ESG standards are required to be disclosed.	For reference, although Paragraph 1(1) of Annexure C of the Circular on Listing of Debt Securities on Global Market Securities issued by the India International Exchange requires that external reviews obtained by the issuer must be disclosed as part of its listing particulars, the external review being referred therein is only in respect of the determination of whether the debt securities qualify as 'green', 'social' or 'sustainable'.	We may agree with the comments. Revised and aligned with the ICMA Principles
<p>The GBP/SBP/ SusBP have four core components:</p> <ol style="list-style-type: none"> 1. Use of Proceeds 2. Process for Project Evaluation and Selection 3. Management of Proceeds 4. Reporting <p>Independent external reviews may vary in scope and may address a Green/Social/Sustainable Bond framework/ programme, an individual Green/Social/Sustainable Bond issue, the underlying assets and/or procedures. They are broadly grouped into the following types, with some providers offering more than one type of service, either separately or combined:</p> <ol style="list-style-type: none"> 1. Second Party Opinion 2. Verification 3. Certification 4. Green Bond Scoring/Rating <p>An external review may be partial, covering only certain aspects of an issuer's Green/Social/Sustainable Bond or associated Bond frameworks or full, assessing alignment with all four core components of the G/S/SusBP. These Bond Principles take into account that the timing of an external review may depend on the nature of the review, and that publication of reviews can be constrained by business confidentiality requirements.</p>							
118	ST and GG, NIPFP	133	ESG focused Debt Securities	An issuer of debt securities, if follows any globally accepted standard(s) for the issuance of debt securities including measurement of the ESG impact, shall disclose the same in the offer document /information memorandum	(i) To be combined with Regulation 131; and (ii) The word 'it' to be added after 'if' and before 'follows'.	Self-explanatory.	Deleted. May not be required
119	ST and GG, NIPFP	134	ESG focused Debt Securities	An issuer shall provide information about the intended use and actual utilisation of	The intended use of the proceeds of the issue are typically disclosed prior to issuance and	The intended use of proceeds is predetermined and communicated prior to issuance. Where it is	We may agree

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				<p>proceeds from the issue, at least on an annual basis, after verification by the report of an external auditor:</p> <p>Explanation: The aim of such reporting shall be to inform the public about how funds are being allocated to projects and, where feasible, the expected environmental, social and sustainable impacts.</p>	<p>need not be disclosed annually.</p>	<p>generic or broad and future-looking, the actual utilization of the proceeds will be sufficient to indicate the application of the proceeds.</p>	
					<p>There do not appear to be any criteria that are required to be fulfilled by the external auditors appointed under this Regulation auditing the '<i>expected environmental, social and sustainable impacts</i>'. Consider extending the requirements under sub-Regulation 130(3) to Regulation 134.</p> <p>Kindly also refer to the immediately succeeding comment.</p>	<p>Although the audit of the actual utilization of the proceeds may be done by chartered accountants, the Explanation to this Regulation additionally states that, where feasible, the issuer will disclose the expected environmental, social and sustainable impacts. As this is also required to be audited by the external auditor, the requirements under sub-Regulation 130(3) must also be extended to Regulation 134 such that the auditor is an entity having sufficient expertise.</p>	
					<p>If the expected environmental, social and sustainable impacts are required to be audited and verified by an external auditor, only certain entities specialized in auditing such parameters may be engaged, which might lead to operational difficulties. If the requirement for audit is removed, the disclosures under Regulation 134 may be combined with the 'Impact Report' under Regulation 135(b) (which does not require an audit to be conducted).</p>		
120	ST and GG, NIPFP	135(a)	ESG focused Debt Securities		<p>This is substantially similar to Regulation 134. The requirement under Regulation 134 may be termed as the 'Allocation Report' to avoid confusion.</p>		We may agree
121	ST and GG, NIPFP	135(b)			<p>In respect of SLDS, the requirement to furnish the Impact Report with the Annual Report must not come to an end with the '<i>full allocation of the proceeds</i>' as set out in the chapeau to sub-Regulation 135(a).</p> <p>Monitoring must be extended to whether the predetermined objectives set out in relation to the SLDS have been fulfilled.</p>	<p>In the case of SLDS, there are certain pre-determined financial/ other benefits that may apply in the event that certain targets are fulfilled, the monitoring of the 'impact' should extend to whether such conditions have been fulfilled.</p>	We may agree

122	ST and GG, NIPFP	53	Listing of Start-ups	<p>Paragraph 16 of the Consultation Paper states that pursuant to the Union Budget 2021-22, a ‘world-class’ fintech hub at GIFT City will be set up in order to bolster innovation in the fintech industry. The Paragraph further states that the IFSCA is proposing to enable a framework for listing of start-ups in IFSC in order to provide an ecosystem for fintech companies.</p> <p>If the intent is to (i) attract listing of securities by start-ups, <i>and</i> (ii) create a fintech hub at GIFT City, consider incorporating a requirement under the in-principle approval that eligible start-ups should have an office in GIFT City or that the financial services offered by the entity should be accessible by customers in India.</p> <p>An additional stipulation could be considered to qualify the eligibility criteria of start-ups such that there is a focus on innovation or improvement. As an example, the eligibility conditions set out by the DPIIT <i>vide</i> notification dated 19 February 2019 bearing reference number G.S.R. 127(E) may serve as a useful point of reference. Therein, the following condition is required to be fulfilled for qualifying as a start-up: the entity must be ‘<i>working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation</i>’.</p>	<p>This will ensure that there will be positive spillover effects from start-ups intending to list their securities on the exchange, as setting up offices in India or offering the financial products or services in India will contribute towards the development of a fintech hub. This is also likely to, in turn, lead to a more robust financial service provider ecosystem within GIFT City.</p> <p>While there is no universal definition of a ‘start-up’, other proposed definitions of a ‘start-up’ by independent organizations incorporate additional criteria as in the case of the DPIIT notification. For example, the European Startup Monitor states that start-ups need to ‘<i>have an innovative product and/or service and/or business model. The startup has to aim to scale up (intention to grow the number of employees and/or turnover and/or markets in which they operate)</i>’.⁵</p>	<p>“Having an innovative product” is very subjective and therefore not retained in the definition of start-up.</p>
120	ST and GG, NIPFP	53	Listing of SMEs	<p>The eligibility criteria of ‘small and medium enterprises’ is dependent on the extant criteria applicable at the jurisdiction of incorporation. This may lead to inconsistencies in eligibility criteria and unfair competition as entities incorporated in a jurisdiction with a more inclusive definition may compete for capital on the exchange with entities that are subject to a narrow regime.</p> <p>A harmonized definition of ‘small and</p>	<p>For example, ‘medium-sized enterprises’ in the European Union (EU) are determined on the basis of staff headcount, and turnover or balance sheet total. In the EU, a turnover of upto € 50 million (~INR 429 crores at an exchange rate of 1 Euro = INR 85.90) is permitted for an entity to qualify as a ‘medium-sized enterprise’. On the other hand, in India, the corresponding</p>	<p>SME in Singapore are defined as companies with at least 30% local shareholding, group annual sales turnover of less than \$100 million or group employment size of not more than 200 workers.</p> <p>The IRS (USA) classifies small businesses as companies with assets of \$10 million or less and large businesses as those with over \$10 million in assets.</p> <p>SMEs are non-subsidary, independent firms</p>

⁵ Available here: http://www.europeanstartupmonitor2019.eu/EuropeanStartupMonitor2019_2020_21_02_2020-1.pdf (last accessed on 31 March 2021).

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					medium enterprises' may be considered, as has been done under Regulation 53 in the case of 'start-ups'.	annual turnover threshold for a medium enterprise is INR 250 crore.	<p>which employ fewer than a given number of employees. This number varies across countries. The most frequent upper limit designating an SME is 250 employees, as in the European Union. However, some countries set the limit at 200 employees, while the United States considers SMEs to include firms with fewer than 500 employees. The UK definition of SME is generally a small or medium sized enterprise with fewer than 250 employees.</p> <p>India definition –</p> <ul style="list-style-type: none"> • Small - Investment in Plant and Machinery or Equipment not more than Rs. 10 crore and turnover of not more than Rs. 50 crore; • Medium - Investment in Plant and Machinery or Equipment not more than Rs. 50 crore and turnover of not more than Rs. 250 crore <p>To bring consistency and have a wider definition to attract sizeable SMEs in GIFT IFSC, we may consider of suggesting a definition of SME as <i>“an enterprise with annual turnover less than 50 million USD”</i>.</p>
121	ST and GG, NIPFP	65(2)	Start-ups and SME IPOs Minimum subscription	The minimum number of subscribers shall be 50 for the offer to be successful.	The threshold should not focus on the minimum number of subscribers but on the concentration of holdings in respect of each subscriber to ensure diversity in holding of securities. As a result, a maximum concentration threshold may be considered.	If the intent behind the stipulation that there must at least be 50 subscribers to an issuance is to ensure diversity in holdings, the objective may not be achieved if there are several nominal security-holders and majority of the securities issues are held by one or more subscribers.	The objective is to have sufficient number of shareholders in order to bring in initial liquidity. No change may be required.
122	ST and GG, NIPFP	2(h)	Definition of Green Shoe Option	“green shoe option” means an option of allotting equity shares in excess of the equity shares offered in the public issue as a post-listing price stabilizing mechanism	Include reference to convertible debt securities and debt securities within the definition of ‘green shoe option’.	Green shoe options may be offered as part of debt issuances as well.	Equity Shares may be changed to specified securities
123	ST and GG, NIPFP	2(p)	Definition of specified securities	“specified securities” means equity shares and convertible	Definition of ‘specified securities’ includes convertible securities which in turn, includes convertible debt securities. However, the use	The use of ‘specified securities’ in the context of Chapter III also references convertible debt	The convertible securities (prior to conversion) has been covered in the definition of specified securities.

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				securities. “convertible security” means a security which is convertible into or exchangeable with equity shares of the issuer at a later date , with or without the option of the holder of such security and includes convertible debt instrument and convertible preference shares.	of ‘specified securities’ includes usage in contexts such as IPOs where the reference should only lie to non-debt securities.	securities, which may not be appropriate.	This is in line with the SEBI’s ICDR Regulations.
124	ST and GG, NIPFP	6(2)(b)			Use of ‘Statutory Body’, ‘Board’, ‘Authority’, ‘Trust’, ‘Agency’, and ‘Special Purpose Vehicle’ to be in uncapitalized, undefined terms.		May be considered
125	ST and GG, NIPFP	10		An issuer shall be eligible to make an initial public offer only if: a. the issuer has an average pre-tax profit, based on consolidated audited accounts, of at least USD one million during the preceding three financial years; or b. the issuer has an operating revenue of at least USD 20 million in the preceding financial year; or c. any other eligibility criteria that may be prescribed by IFSCA.	The IFSCA must balance the risks associated with the eligibility criteria which are easier to meet than comparable listing requirements applicable in the case of the SGX Mainboard with the flexibility in the listing requirements of the AIM segment of the London Stock Exchange.	The AIM segment of the London Stock Exchange has been prone to misconduct of certain listed entities, as it relies on the continuous disclosures to be made by such entities. The IFSCA must factor similar risks in the case of the GIFT City as well. The SGX Mainboard also offers some flexibility to entities undertaking business operations in the Mineral, Oil & Gas segments through eligibility criteria that are dependent on market capitalization rather than revenue and profit.	Noted
126	ST and GG, NIPFP	12(a)(b)			References to ‘ <i>shares with superior voting rights</i> ’ may be omitted as already covered under the definition of ‘SR equity shares’.		May be considered
127	FICCI		SPAC – Sponsor		Track record of Sponsor: Given the SPAC and deSPAC process substantially rely on the strength of the sponsor of the SPACs, managers who are permitted to sponsor SPACs must have a good track record and such requirements should.		May be considered The following may be added as one of the eligibility conditions for SPAC transactions – <i>“The sponsor(s) of the SPAC issuer shall have a good track record in SPAC transactions or business combinations or fund management or</i>

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							<i>merchant banking activities, and the same shall be disclosed in the offer document.”</i>
128	FICCI		SPAC - Disclosure Requirement		Given the target is not identified at the time of the IPO of the SPAC, providing a robust set of one time (prospectus) and continuous disclosure obligations, for both the SPAC (prior to acquisition) and post de-SPACing (post the business combination and listing of the target) becomes very critical.		<p>May be considered</p> <p>The following additional requirements may be inserted:</p> <ul style="list-style-type: none"> • Filing of a detailed prospectus containing all relevant disclosures regarding the SPAC and its proposed business combination. • Disclosures post completion of the business combination
129	FICCI		SPAC - Resident Shareholders		The IFSC regulatory framework does not permit trading and holding of shares by resident shareholders on the IFSC exchanges. Given the issue around Indian foreign exchange regulations as set out above for acquisition of Indian target by overseas SPAC, this flexibility would expand the target company base.		May be taken up separately
130	FICCI		SPAC - Tax Incentives		Allow REIT and INVIT type tax benefits. That is, tax when the holder sells SPAC shares not when they flip shares into SPAC.		Taxation related issued may be taken up separately
131	FICCI		SPAC - Timelines		Measure should be taken to create faster ways to de-SPAC. In this regard, process and structures for quicker mergers for deSPACing would be helpful.		Timeline may be reduced to 3 years.
132	FICCI		SPAC- Investor Base		Widening the network of investors both overseas and domestic who can invest on the exchange and simplifying process for onboarding of clients by the intermediaries.		<p>In order to promote liquidity, more shareholders would be required. We may therefore revise the minimum application size to USD 100,000.</p> <p>Further, we may prescribe minimum no. of subscribers as 50 and no person being allotted more than 10% of the issue size.</p>