



CIRCULAR

IFSCA-PLNP/28/2024-Capital Markets/001

June 06, 2024

To,

**All Broker Dealers in the IFSC
All recognised stock exchanges in the IFSC
India INX Global Access IFSC Limited**

Dear Sir/Madam,

Sub: Global Access - Clarifications

1. IFSCA circular no. 416/IFSCA/Global Access/2021-22 dated November 25, 2021 permits Broker dealers registered with IFSCA to access Stock Exchanges outside the IFSC through any of the following ways:
 - a) *Cross-border arrangement with an entity providing access to an exchange outside IFSC, provided that such entity is a regulated entity in the other jurisdiction; or*
 - b) *Registering itself as a trading member of an exchange outside IFSC:
Provided that the broker dealer is trading on its proprietary account and does not have any client dealing.*
2. The circular also required broker dealers to seek a 'no-objection' from the recognized stock exchange(s) in the IFSC before availing such global access.
3. Further, as per the circular issued by IFSCA on fees ref. no. 865/IFSCA/Banking/Fee Revision/2022-23 dated May 17, 2023, amended up to February 06, 2024 ("IFSCA Fee Circular"), an annual fee of USD 1,000/- (one thousand only) was levied on "*Broker Dealers and Subsidiaries of the Exchanges providing global access.*"

4. IFSCA is in receipt of representations from broker dealers requesting for clarifications regarding applicability of the above circulars and payment of fees to IFSCA. In this regard, the following is clarified:

- i) The circular dated November 25, 2021 is applicable to all broker dealers accessing global markets directly through their own cross-border arrangements or membership of international exchanges.
- ii) Accordingly, the requirement to seek '*no-objection*' from recognized stock exchange(s) in the IFSC will apply only if a broker dealer has its own arrangement for accessing global markets. However, the requirement to seek '*no-objection*' from stock exchange(s) shall not apply to broker dealers accessing global markets through India INX Global Access IFSC Limited ("India INX GA").
- iii) The annual fee referred in the IFSCA circular dated May 17, 2023 (as amended from time to time) shall apply to -
 - i. Broker dealers accessing global markets directly on their own; and
 - ii. India INX GA

Explanation: It is clarified that the broker dealers participating through India INX GA are not separately required to pay annual fees.

- iv) As regards timing for initial payment of fees to IFSCA, it has been decided that any broker dealer accessing global markets on its own shall be required to make the payment of annual fee on pro rata basis from the date of NOC granted by the Stock Exchange in this regard. In case where NOC is required from more than one recognized stock exchange, fees may be paid upon receipt of NOC from all the recognized stock exchanges. Such fee may be paid within 15 days from the date of grant of such NOC.

(For e.g., If a broker dealer has been granted NOC by the stock exchanges on July 10, 2024, it shall be required to pay annual fee on pro rata-basis for 9 months amounting to USD 750/- (i.e. USD 1,000 x 9/12). For the subsequent year i.e. FY 2025-26, the annual fee of USD 1,000/- needs to be paid by April 30, 2025 and so on.)

- v) Accordingly, all broker dealers that have already taken NOC for global access (whether proprietary or clientele) shall pay the pending fees, if any, for the years 2023-24 and 2024-25 latest by June 30, 2024.

- vi) Failure to pay the same will attract late payment fee as mentioned in Schedule-II of the IFSCA Fee circular. This is without prejudice to IFSCA taking any other action under the provisions of IFSCA Act, 2019 and regulations made thereunder.
5. The circular shall come into force with immediate effect.
6. This circular is being issued in exercise of powers conferred by Section 12 of the International Financial Services Centres Authority Act, 2019 and regulation 72 of the IFSCA (Capital Market Intermediaries) Regulations, 2021.
7. A copy of this circular is available on the website of the International Financial Services Centres Authority at www.ifsc.gov.in.

Yours faithfully,

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