



CIRCULAR

IFSCA/CMD-MIT/RTP/2023-24/001

April 03, 2024

To

Stock Exchanges in the International Financial Services Centre (IFSC)

Madam/Sir,

Subject: Remote Trading Participants on Stock Exchanges in the IFSC

1. IFSCA is in receipt of representations from market participants including Stock Exchanges, requesting direct participation by foreign institutions on the Stock Exchanges. It was suggested that this enabler is likely to increase the number of participants and make the secondary market more vibrant and liquid. Accordingly, it has been decided to permit foreign entities, not having a physical presence in IFSC, to trade directly on the Stock Exchanges, on a proprietary basis, without a Broker-Dealer. Such an entity shall be referred to as a Remote Trading Participant (RTP).
2. An entity shall be onboarded as RTP by the Stock Exchange only after the following conditions are satisfied:
 - i. The entity is a resident of a country whose securities market regulator is a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding (IOSCO-MMoU) or a signatory to the bilateral Memorandum of Understanding (MoU) with IFSCA.
 - ii. The entity is currently a member of any of the following Stock Exchanges, or such other Stock Exchanges as may be specified by IFSCA, for at least a period of one year:

Sr no.	Country	Stock Exchange
1	United States of America (USA)	• New York Stock Exchange (NYSE), • National Association of Securities Dealers Automated Quotations (NASDAQ) • Chicago Mercantile Exchange (CME)



Sr no.	Country	Stock Exchange
		• Intercontinental Exchange (ICE)
2	Japan	Tokyo Stock Exchange
3	South Korea	Korea Exchange
4	United Kingdom excluding British Overseas Territories	London Stock Exchange (LSE)
5	France	Euronext, Paris
6	Germany	• Frankfurt Stock Exchange • Eurex Exchange
7	Canada	Toronto Stock Exchange
8	Singapore	Singapore Exchange (SGX)
9	Taiwan	Taiwan Stock Exchange
10	Israel	Tel Aviv Stock Exchange (TASE)
11	Australia	Australian Securities Exchange (ASX)
12	United Arab Emirates (UAE)	• Abu Dhabi Securities Exchange (ADX) • Dubai Gold & Commodities Exchange (DGCX) • Dubai Financial Market • NASDAQ, Dubai
13	Netherlands	Euronext Amsterdam

- iii. The entity is a body corporate;
- iv. The entity is not a resident of a country identified in the public statement of the Financial Action Task Force (FATF) as –
 - a) a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or
 - b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address deficiencies.
- v. The entity shall be permitted to trade only on a proprietary basis and shall not be permitted to onboard clients.
- vi. The entity shall be permitted to transact only in cash-settled derivative products on the Stock Exchanges.
- vii. The entity shall be required to enter into an agreement with an IFSCA registered Clearing Member for clearing and settlement of its transactions executed on the Stock Exchanges.



3. An entity incorporated in India will not qualify to be onboarded by the Stock Exchanges as a RTP.
4. The RTP shall be onboarded by the Stock Exchange in accordance with the IFSCA (Anti Money Laundering, Counter Terrorist-Financing and Know Your Customer) Guidelines, 2022.
5. The recognized Stock Exchanges in IFSC shall be responsible for specifying the terms and conditions for onboarding a RTP, inter alia including the risk management measures and code of conduct in relation to the RTP.
6. The recognized Stock Exchanges shall have the operational flexibility to specify the net-worth criteria, security deposit, application fee, annual fee and any other additional conditions for onboarding a RTP. The Stock Exchanges shall ensure that the RTP is in compliance with the conditions as provided above in clause 2.
7. The recognized Stock Exchanges shall take necessary steps to implement this Circular including amending their bye-laws, rules and regulations (if required).
8. The Stock Exchanges shall inform the status of implementation of this Circular to IFSCA, in the Monthly Development Report (MDR).

This Circular is issued in exercise of powers conferred by Section 12 and 13 of the International Financial Services Centres Authority Act, 2019 to develop and regulate the financial products, financial services and financial institutions in the International Financial Services Centres.

A copy of this Circular is available on the website of the International Financial Services Centres Authority at www.ifsca.gov.in

Yours faithfully,

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