



MASTER CIRCULAR

e.File No. IFSCA-PLNP/80/2024-Capital Markets

August 05, 2025

To,

**All Credit Rating Agencies in the International Financial Services Centre (IFSC)
All Recognised Stock Exchanges in the IFSC**

Madam/Sir,

Sub: Master Circular for Credit Rating Agencies in the IFSC

1. The IFSCA has notified International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025 ("CMI Regulations") with the objective of providing the regulatory framework for registration, regulation and supervision of capital market intermediaries, operating in the international financial services centres in India. In order to enable the stakeholders to have access to various requirements including instructions or directions issued under CMI Regulations at one place, this Master Circular in respect of Credit Rating Agencies has been prepared.
2. With the issuance of this Master Circular, the Master Circular titled "*Master Circular for Credit Rating Agencies*" dated October 01, 2024 shall stand superseded.
3. Notwithstanding such supersession,
 - a) anything done or any action taken or purported to have been done or taken under the superseded Master Circular, prior to such supersession, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular;
 - b) any application made to the Authority under the superseded Master Circular, prior to such supersession, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular;

4. This Master Circular is being issued in exercise of powers conferred by Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019 read with regulation 45 of the CMI Regulations and shall come into force from the date of its issuance.

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

Yours faithfully,

Arjun Prasad
General Manager
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Master Circular for Credit Rating Agencies

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CHAPTER - I: REGISTRATION PROCESS

1. Application through SWIT System

- 1.1. The Hon'ble Finance Minister, in the Union Budget for FY 2023-24 announced - *"Implementation of a single window IT-enabled system for application processing of entities desirous of setting up operations in GIFT IFSC to improve the Ease of Doing Business (EoDB)."*
- 1.2. Towards this end, IFSCA has operationalised a Single Window IT System (SWIT System/ SWITS), which, inter-alia, contains a Common Application Form (CAF), created by merging several existing forms including business-specific Annexure Forms. The SWITS aims to harmonise and simplify the process of submission of application under the Acts specified under the First Schedule of the IFSCA Act, 2019, including any regulations or framework issued thereunder, in addition to the Special Economic Zones (SEZ) Act, 2005. The Application Form (Form-FA) for seeking Letter of Approval (LoA) from the Administrator (IFSCA) under the SEZ Act, 2005 is also the part of the SWITS and is integrated with the SEZ Online System.
- 1.3. Apart from this, the SWITS also integrates within itself a No objection Certificate (NoC) processing module that will ease the process of obtaining NoCs, wherever necessary, from the appropriate regulators viz. RBI, SEBI and IRDAI. In addition, SWITS also provides the facility for an entity to apply for Goods and Services Tax Number (GSTN), thereby simplifying the tax registration for businesses. Further, SWITS also enables the online payment of fees in USD for entities desirous of setting up operations in IFSC.
- 1.4. The link for accessing the SWITS platform is <https://swit.ifsc.gov.in>.
- 1.5. An entity desirous of seeking registration as a Credit Rating Agency with the Authority shall submit/file its applications exclusively through SWITS¹ for seeking-
 - 1.5.1. Registration as a Credit Rating Agency under the provisions of the CMI Regulations
 - 1.5.2. Approvals from SEZ Authorities and registration from GSTN; and
 - 1.5.3. NoC/requisite approval from appropriate regulators.
- 1.6. For more details, please refer to the circular titled "[Single Window IT System inter-alia for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI](#)" issued by IFSCA on September 30, 2024 in this regard.

¹ Regulation 5 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

2. Payment of Fees

- 2.1. An applicant seeking registration as a Credit Rating Agency shall pay the application fee, as specified in Schedule-I of the circular titled "[Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#)" ("IFSCA Fee Circular") dated April 08, 2025, read with circular titled "[Clarifications on the Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme](#)" dated April 23, 2025 at the time of making an application to the Authority. If an application is not accompanied by the mandated application fee, such an application shall not be considered by the Authority.
- 2.2. On intimation of the decision by the Authority to grant in-principle approval, the applicant shall, within 15 days of such an intimation, pay the applicable registration fees as specified in Schedule-I of the IFSCA Fee Circular.
- 2.3. In those cases where the applicant fails to pay the requisite registration fees within the specified time, it shall be presumed that the applicant does not wish to continue the process. In such a case, the Authority may at its discretion reject the application. An application once rejected, shall be treated as non-est. The rejection of the application, however, shall not render the entity ineligible for making a fresh application.
- 2.4. In case the Authority decides not to grant a registration or authorization to an applicant to whom a provisional / in-principle approval has been granted, the fees paid by the applicant towards obtaining licence, registration, recognition or authorization fee shall not be refunded.
- 2.5. The fees as specified in the Schedule-I of the IFSCA Fee Circular shall be paid to the following account of the Authority in USD:

Account Name: **International Financial Services Centres Authority**

Account Number: **970105000174**

Type of Account: **USD Current Account**

Bank Name: **ICICI Bank Limited**

SWIFT Code: **ICICINAAXXX**

NOSTRO Details: **CHASUS33XXX**

JP MORGAN CHASE BANK NA, NEWYORK, USA

Account no: 833999532

- 2.6. An applicant **from India (other than an entity already set up in GIFT-IFSC)** desirous of getting registration from the Authority shall have the option to pay **only the application fee and registration fee**, as specified in the Schedule-I of the IFSCA Fee Circular, in **INR** into the following account of the Authority:

Account Name: **IFSCA FUND 2**
Account Number: **39907189884**
Name of the Bank: **State Bank of India**
Type of Account: **INR Current Account**
IFSC Code: **SBIN0060228**

- 2.7. For the entities remitting the fees in INR, the RBI reference rate for USD-INR, for the date on which the remittance is being made, shall be applicable. The RBI reference rate is available at the URL:

<https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>

- 2.8. The applicable fee shall be paid in full, as indicated in this circular, net of any deductions or charges. All applicable charges towards remittance of the amount, shall be borne by the application / credit rating agency.
- 2.9. After the payment of the applicable fees, the applicant / credit rating agency shall submit the documentary evidence of such a payment to the Authority, along with the details of such a payment in the form and manner specified at Schedule-II of the IFSCA Fee Circular.
- 2.10. All dues or fees payable to the Authority shall be paid by the applicant / Credit Rating Agency either from the bank account of the entity or that of its KMPs. In case the payment has been made from the account of the KMPs, the same shall be informed to the Authority during submission of the documentary evidence. However, in case of an initial payment of application and registration fee, such amount can be paid either by the parent or the promoter of the applicant.
- 2.11. A credit rating agency registered with the Authority shall pay annual fee and other applicable fees in accordance with the IFSCA Fee Circular.

3. SEBI-registered Credit Rating Agencies

- 3.1. Securities and Exchange Board of India, vide circular dated July 19, 2024 on "[*Enabling Credit Rating Agencies to undertake rating activities under IFSCA*](#)" permitted credit rating agencies registered with SEBI to undertake rating activities in the IFSC in accordance with regulation 9(f) of the SEBI (Credit Rating Agencies) Regulations, 1999 ("SEBI CRA Regulations") and para 25 of the Master Circular for CRAs dated May 16, 2024. The Explanation provided under regulation 9(f) of the SEBI CRA Regulations provides that - *"...the ratings undertaken by a credit rating agency under the respective guidelines of a financial sector regulator or authority shall be under the purview of the respective financial sector regulator or authority"*.
- 3.2. Accordingly, a credit rating agency registered with SEBI, desirous of providing rating services in the IFSC, shall apply for registration with IFSCA in accordance

with the requirements provided under the CMI Regulations. The activities of the CRAs operating in the IFSC shall be subject to the requirements in the IFSCA Act, 2019, CMI Regulations and other applicable regulations and circulars notified by IFSCA from time to time. The application shall be filed through the SWIT System.

CHAPTER - II: VALIDITY OF REGISTRATION

4. Certificate of Registration

- 4.1. The certificate of registration granted to a credit rating agency shall be perpetual unless it is suspended or cancelled by the Authority².
- 4.2. The CRA shall, at all times, ensure that it holds valid and subsisting³:
 - 4.2.1. Certificate of Registration issued by the Authority under the CMI Regulations; and
 - 4.2.2. Letter of Approval (LoA) under the Special Economic Zones Act, 2005.
- 4.3. It may also be noted that the expiry of the Letter of Approval (having validity of 1 year, if business not commenced; or 5 years, after commencement of business) or failure to renew it in a timely manner, may lead to appropriate enforcement action, including cancellation of the registration granted under the CMI Regulations.
- 4.4. The CRA shall ensure compliance with the Circular titled “[Direction for all Regulated Entities](#)” dated April 03, 2025 issued by the Authority.

² Regulation 13 of IFSCA (Capital Market Intermediaries) Regulations, 2025.

³ IFSCA Circular No. IFSCA-LPRA/9/2024-Legal and Regulatory Affairs dated April 03, 2025.

CHAPTER - III: PERMISSIBLE ACTIVITIES

5. Permissible Activities

- 5.1. A Credit Rating Agency registered with the Authority (“the CRA”) under the CMI Regulations is permitted to carry out the following activities:

5.1.1. Credit Ratings

Explanation 1: Credit ratings can be of any financial product or financial instrument in the IFSC or any Foreign Jurisdiction⁴ based on global scale (foreign currency or local currency) ratings.

Explanation 2: Credit ratings shall include private ratings.

5.1.2. Sovereign Ratings

5.1.3. Valuation Services

5.1.4. Research

5.1.5. Rating Assessment / Evaluation Services

5.1.6. Monitoring Agency

- 5.2. A CRA registered with the Authority intending to provide services relating to ESG Ratings and Data Products Providers shall be required to obtain a separate registration as an ERDPP with the Authority under the CMI Regulations.

⁴ As defined in the CMI Regulations

CHAPTER - IV: GOVERNANCE⁵

6. Composition of Board of Directors

6.1. The composition of the Board of Directors of the CRA shall be as follows:

6.1.1. The board shall have at least 1/3rd of total strength as independent directors.

6.1.2. The board shall comprise of not less than 3 directors.

6.1.3. The majority of members of the board of directors shall have sufficient expertise in financial services.

Provided that a CRA registered in the form of branch shall comply with the governance requirements specified by the home regulator.

7. Principal Officer

7.1. The CRA shall have a Principal Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.

7.2. The Principal Officer shall be responsible for overall activities of the CRA in the IFSC.

7.3. Where a CRA is also registered as an ESG Ratings and Data Products Providers with the Authority under the CMI Regulations, the entity may have the same person as principal officer for both the activities.

8. Compliance Officer

8.1. The CRA shall have a Compliance Officer based out of the IFSC in compliance with the qualification and educational requirements as specified in the CMI Regulations.

8.2. Where a CRA is also registered as an ESG Ratings and Data Products Providers with the Authority under the CMI Regulations, the entity may have the same person as compliance officer for both the activities.

⁵ Regulation 9 of the IFSCA (Capital Markets) Regulations, 2025.

CHAPTER - V: Code of Conduct

9. Code of Conduct

9.1. The CRA shall establish a board approved Code of Conduct based on Schedule II of the CMI Regulations and the IOSCO Report on “[*Code of Conduct Fundamentals for Credit Rating Agencies*](#)”, March 2015.

9.2. The CRA shall ensure that the Code of Conduct is publicly and prominently disclosed on its website:

Explanation: For the purpose of this circular, the reference to “website” shall include the website of the CRA or any webpage of any group entity of the CRA having a dedicated webpage providing details of the services of the CRA in the IFSC.

9.3. The CRA shall monitor and review the compliance of the CRA with the provisions of the above-mentioned Code of Conduct at least on an annual basis.

CHAPTER - VI: KYC AML & CFT GUIDELINES

10. KYC AML & CFT Guidelines

- 10.1. The CRA shall comply with the IFSCA (Anti Money Laundering, Counter Terrorist-Financing and Know Your Customer) Guidelines, 2022 (as amended) and such other guidelines issued by the Authority from time to time.
- 10.2. The CRA shall ensure that the registration on FIU-IND FINGate 2.0 portal ('FIU-IND Portal') is completed prior to commencement of business and in case of an urgency to commence business, the registration shall be completed within 30 days from the date of commencement of business.
- 10.3. The CRA shall also ensure that any addition or modification to their Line of Business is updated on the FIU-IND portal within a period of thirty days from the date of commencement of such an additional Line of Business.
- 10.4. The CRA shall comply with the circular titled "[Registration on FIU-IND FINGate 2.0 portal for compliance with International Financial Services Centres Authority \(Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer\) Guidelines, 2022](#)" issued by the Authority on February 25, 2025 and such other guidelines issued by the Authority from time to time.

CHAPTER - VII: CREDIT RATING ACTIVITIES

11. Operations Manual

- 11.1. The CRA shall formulate an internal Operations Manual, which shall, *inter-alia*, cover operating guidelines, criteria, policies and procedures related to the rating process.

12. Rating Criteria

- 12.1. The CRA shall frame detailed criteria for ratings and the same shall be included in its Internal Operations Manual.
- 12.2. The CRA shall ensure that the rating criteria are disclosed on its website. The rating rationale shall have references to the specific criteria applied for the ratings.

13. Rating Process

13.1. Solicited Ratings

- 13.1.1. For all solicited ratings, the CRA shall enter into a written agreement with each client whose securities or other permitted financial products it proposes to rate, and every such agreement shall include the right and liabilities of each party and fee to be charged by such credit rating agency.
- 13.1.2. The CRA shall, in all cases, follow a proper rating process which shall also be disclosed on its website. The CRA shall ensure that the rating methodologies are rigorous, capable of being applied consistently, and, where possible, result in credit ratings that can be subjected to some form of objective validation based on historical experience.
- 13.1.3. The CRA shall disclose its rating methodology to clients, users and the public.
- 13.1.4. Where a rating methodology is changed, the CRA shall:
 - 13.1.4.1. immediately publish on its website the revised rating methodology with a detailed explanation thereof and the date of application;
 - 13.1.4.2. review the affected credit ratings as soon as possible and no later than six months based on the revised methodology.
- 13.1.5. The CRA shall, while assigning a rating, exercise due diligence to ensure that the rating given by the credit rating agency is fair and appropriate.

- 13.1.6. The CRA shall ensure that the credit ratings are based on a fair and thorough analysis of all the information that is available to it and that is relevant to its analysis according to the applicable rating methodologies.
- 13.1.7. The CRA shall seek the necessary information and documents from the issuers required to carry out the rating exercise.
- 13.1.8. The CRA shall inform to the client the rating assigned to the securities or other permitted financial products.
- 13.1.9. All the rating actions taken by the CRA should be published on its website along with the rationale for rating action. If the rated instruments are listed on a recognised stock exchange in the IFSC, the CRA shall also notify the exchange(s) of the rating action.
- 13.1.10. The CRA shall maintain information and records supporting each credit rating and review in electronic retrieval form for a period (as mentioned in the CMI Regulations) from the date rating is withdrawn or discontinued, including the following information/ records:
 - 13.1.10.1. The important factors underlying the credit rating;
 - 13.1.10.2. Decisions and minutes of the rating committee.

13.2. Unsolicited Ratings

- 13.2.1. The CRA shall publicly disclose its policies and procedures regarding unsolicited credit ratings.
- 13.2.2. Where a CRA issues an unsolicited credit rating of an issuer, the CRA shall prominently disclose "*UNSOLICITED*" in the credit rating. Further, the rating rationale shall include the extent of participation of the issuer and whether the CRA had access to the accounts and other relevant internal documents of the issuer or any related party of the issuer.

14. Sovereign Ratings

- 14.1. The CRA shall publicly disclose its methodology for sovereign ratings.
- 14.2. The CRA shall review sovereign ratings at least on an annual basis.

15. Rating Scales

- 15.1. The CRA registered with Authority shall use global scale to issue ratings. It shall also publicly disclose clear definitions of its global rating scales, including definition of default. Additionally, the CRA must clarify and state that these ratings are not recommendations to buy, hold or sell any securities /instruments /facilities.

16. Monitoring and Review of Ratings

16.1. The CRA shall ensure that adequate employees and financial resources are allocated for monitoring and reviewing all its credit ratings. Except for a credit rating that clearly indicates it does not entail ongoing surveillance, once a credit rating is published, the CRA should monitor the credit rating on an ongoing basis by:

16.1.1. reviewing the creditworthiness of the rated entity or obligation regularly;

16.1.2. initiating a review of the status of the credit rating upon becoming aware of any information that might reasonably be expected to result in a credit rating action, consistent with the applicable credit rating methodology; and

16.1.3. reviewing the impact of and applying a change in the credit rating methodology on the relevant credit ratings within a reasonable period of time no later than six months after change in methodology.

16.2. If a CRA discontinues monitoring a credit rating for a rated entity or obligation, it should either withdraw the credit rating or disclose such discontinuation.

17. Dissemination of Ratings

17.1. All the rating actions on initial credit ratings assignments, once accepted by issuer, shall be disseminated by the CRA on its website along with the rating rationale. All subsequent rating actions on accepted ratings shall be disseminated by CRA on its website along with the rating rationale.

Provided that the said requirement relating to dissemination of ratings shall not be mandatory for unsolicited ratings and private credit rating assignments.

17.2. Where the rated instruments are listed on a recognised stock exchange in the IFSC, the CRA shall disclose the ratings to the stock exchange(s) in accordance with the requirements specified under regulation 28(6) of the CMI Regulations.

18. Withdrawal of rating

18.1. The CRA shall continuously monitor the rating of securities or other permitted financial products and carry out periodic reviews of the rating, unless the rating is withdrawn.

18.2. The CRA shall generally not withdraw a rating so long as the obligations under the security /instrument/ facility rated by it are outstanding. Withdrawal of rating may however be permitted in the following situations:

- 18.2.1. Where the entity whose security/instrument/facility is rated is wound up or merged or amalgamated with another entity;
 - 18.2.2. In case of non-cooperation from the issuers, or non-payment of agreed fee;
 - 18.2.3. At the request of an issuer, but under no circumstances shall an issuer's request to withdraw a rating avoid an imminent rating change; or
 - 18.2.4. Where such credit rating agency is constrained from providing service due to events beyond its control.
- 18.3. The reason for withdrawal of rating shall be mentioned in the press release issued by the CRA withdrawing such rating.
- 18.4. The CRA shall establish a policy on withdrawal of ratings and the same shall be prominently disclosed on its website.

19. Rating Committee

- 19.1. The CRA shall have professional rating committee, comprising members who are adequately qualified and knowledgeable to assign/review a rating.
- 19.2. All rating decisions, including the decisions regarding changes in rating, shall be taken by the rating committee.

20. Request by Issuers for review/appeal of ratings provided by CRAs

- 20.1. The CRA shall provide a reasonable opportunity to its clients for review/appeal against the rating(s) assigned/reviewed.

21. Rating Analysts

- 21.1. The CRA shall assign analysts who have appropriate knowledge and experience for assessing the creditworthiness of the type of entity or obligation being rated.
- 21.2. The CRA shall ensure that the roles and responsibilities of the rating analysts are clearly laid out in the CRA's Internal Operations Manual.
- 21.3. The CRA shall ensure that the Internal Operations Manual provide that the analysts involved in the credit rating action, while assessing creditworthiness, should use the credit rating methodology established by the CRA for the type of entity or obligation that is subject to the credit rating action.
- 21.4. The CRA shall ensure that the rating analysts are not allowed to initiate or participate in negotiations regarding fees or payments with any rated entity or its related entity.

22. Confidentiality

- 22.1. The CRA shall establish, maintain, document, and enforce policies, procedures, and controls to protect confidential and/or material non-public information, including confidential information received from a rated entity, obligor, or originator, or the underwriter or arranger of a rated obligation, and non-public information about a credit rating action. Such confidential information shall not be disclosed to any third party except where such disclosure is required or permitted by applicable law, or where CRA has obtained the written consent from information provider.

23. Independence and Avoidance of Conflicts of Interest

- 23.1. The CRA shall not delay or refrain from taking a credit rating action based on the potential effect (economic, political, or otherwise) of the action on the CRA, a rated entity, obligor, originator, underwriter, arranger, investor, or other market participant.
- 23.2. The CRA and its employees shall use care and professional judgment to maintain both the substance and appearance of the CRA's and its employees' independence and objectivity.
- 23.3. The CRA's determination of a credit rating should be influenced only by factors relevant to assessing the creditworthiness of the rated entity or obligation. The credit rating a CRA assigns to an entity or obligation should not be affected by whether there is an existing or potential business relationship between the CRA (or its affiliates) and the rated entity, obligor, originator, underwriter, or arranger (or any of their affiliates), or any other party.
- 23.4. The CRA shall operationally, legally, and, if practicable, physically separate its credit rating business and its analysts from any other businesses of the CRA that may present a conflict of interest. For other businesses that do not necessarily present a conflict of interest, the CRA should establish, maintain, document, and enforce policies, procedures, and controls designed to minimize the likelihood that conflicts of interest will arise.
- 23.5. The CRA shall formulate policies and internal codes for dealing with conflicts of interest, including the following:
- 23.5.1. rating analysts involved in the rating process should not participate in any kind of fee negotiations with clients of the CRA.
 - 23.5.2. compensation of rating analysts at CRA should not be influenced by the revenues generated from the clients they rate.
 - 23.5.3. the employees' involved in the rating process and their dependents do not have ownership of the shares of the issuer.

- 23.5.4. prompt review of the ratings of the entities/securities as and when any of its employees involved in assigning ratings joins the respective issuer.
- 23.5.5. it mitigates the potential conflict of interest while engaging into other business activities other than credit rating.
- 23.5.6. it shall not rate securities issued by it or its group companies.

24. Prohibition on Trading

- 24.1. The CRA shall have appropriate procedures and have internal control systems for –
 - 24.1.1. monitoring the holding of securities by its employees in the securities of its clients in order to prevent insider trading.
 - 24.1.2. preventing trading on the basis of unpublished price sensitive information obtained by them in the course of any professional assignment.

25. Periodic Disclosures

- 25.1. The CRA shall make the following disclosures on its website at the end of each financial year:
 - 25.1.1. the list of defaults separately for each rating category
 - 25.1.2. computation and disclosure of Default Rates
 - 25.1.3. disclosure of Average Rating Transition Rates for long-term securities /Instruments /Facilities /Issuances:

Explanation: The disclosure of Average Rating Transition Rates shall be applicable after 5 years from the commencement of operations of the CRA.

26. Continuous Disclosures

- 26.1. The CRA shall promptly disseminate ratings and any change in ratings as required in the CMI Regulations and this circular.
- 26.2. The CRA shall ensure that the records of rating history and rating rationales including those ratings which have been withdrawn/discontinued, shall be disclosed on its website.

27. Guidelines/Policies

27.1. The CRA shall frame detailed guidelines on the following, include them in its Internal Operations Manual and disclose the same on its website:

27.1.1. Confidentiality policy;

27.1.2. Disclosures on managing Conflicts of interest;

27.1.3. Withdrawal policy; and

27.1.4. Gift policy

CHAPTER - VIII: VALUATION SERVICES

28. Valuation Services under IFSCA (Fund Management) Regulations, 2025

- 28.1. Reference is drawn to sub-regulation (2) of regulation 26, sub-regulation (2) of regulation 38 and sub-regulation (2) of regulation 50 of the IFSCA (Fund Management) Regulations, 2025. A Credit Rating Agency may undertake valuation of assets of the schemes as provided under the IFSCA (Fund Management) Regulations, 2025.

CHAPTER - IX: INTERNAL POLICY ON OUTSOURCING OF ACTIVITIES

29. Internal Policy on Outsourcing

- 29.1. In terms of Code of Conduct provided under Schedule II of the CMI Regulations, the CRAs are required to have an internal policy for outsourcing of its activities from outside of IFSC.
- 29.2. The CRA shall have an internal policy on outsourcing of activities prior to commencement of operations and the CRA shall ensure compliance with the policy at all times.

CHAPTER - X: COMPLAINT HANDLING AND GRIEVANCE REDRESSAL

30. Complaint Handling and Grievance Redressal

- 30.1. Regulation 18 of the CMI Regulations require that the capital market intermediaries in the IFSC shall take adequate steps for redress of grievances of the investors in accordance with the requirements as may be specified by the Authority.
- 30.2. The CRA shall comply with the applicable norms and requirements relating to handling of consumer complaints specified by the Authority by way of circular titled "[Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC](#)" dated December 02, 2024 read with circular titled "[Extension of timeline for implementation of the Circular titled "Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC" dated December 02, 2024](#)" issued on January 13, 2025.

CHAPTER - XI: CHANGE IN CONTROL

31. CRAs operating in the IFSC in Branch Structure

- 31.1. In terms of regulation 23(1) of the CMI Regulations, the CRA shall intimate the Authority, within fifteen days of any direct or indirect change in control of the intermediary.

32. CRAs incorporated in the IFSC

- 32.1. In terms of regulation 23(2) of the CMI Regulations, the CRA shall seek prior approval of the Authority, in case of any direct or indirect change in control of the entity.

33. Information to be submitted while seeking prior approval or submitting intimation regarding change in control

- 33.1. The CRA shall provide the following information while submitting application for seeking prior approval of IFSCA or submitting intimation to IFSCA regarding change in control:
- 33.1.1. Details of new shareholders / entities exercising control over the CRA along with number of shares, per cent. of shares etc.;
 - 33.1.2. A declaration that the new shareholders/ entities exercising control are “fit and proper” in accordance with the criteria specified under regulation 8 of the CMI Regulations;
 - 33.1.3. Details of any material regulatory action taken or pending against the CRA or any of its controlling shareholder or director by any financial sector regulator in the last three years.
 - 33.1.4. A confirmation that all fees due to IFSCA as per the IFSCA Fee Circular has been paid
 - 33.1.5. Number of investor complaints pending, if any, at the time of filing application/ intimation.
 - 33.1.6. Details of ongoing material litigations, if any.
 - 33.1.7. Copies of board resolution and shareholder resolution, as applicable, relating to change in control.

CHAPTER - XII: PERIODIC REPORTING

34. Quarterly Reporting

- 34.1. The CRA shall submit reports to the Authority on a quarterly basis in accordance with the requirements specified under the circular titled "[*Reporting Norms for Capital Market Intermediaries*](#)" dated February 08, 2024 (as amended from time to time).
- 34.2. The CRA shall furnish such information, documents, or records as may be specified by the Authority from time to time.

35. Annual Compliance Audit

- 35.1. In terms of regulation 25 of the CMI Regulations, the CRA shall have an annual audit conducted in respect of compliance with the CMI Regulations by a member of the Institute of Chartered Accountants of India or a member of the Institute of Company Secretaries of India or a member of the Institute of Cost Accountants of India or any person authorised to conduct audit in a Foreign Jurisdiction.
- 35.2. A copy of such compliance audit report for a financial year shall be furnished to the Authority by the 30th of September of such year.
- 35.3. The CRA shall have additional audits and submit such reports as may be specified by the Authority from time to time.

CHAPTER - XIII: CYBER SECURITY AND CYBER RESLIENCE

36. Cyber Security and Cyber Resilience

36.1. In terms of regulation 21 of the CMI Regulations, the CRA shall have robust cyber security and cyber resilience framework in accordance with the requirements as may be specified by the Authority.

36.2. The CRA shall comply with the guidelines specified under the circular titled ["Guidelines on Cyber Security and Cyber Resilience for Regulated Entities in IFSCs"](#) dated March 10, 2025. As mentioned in the said circular, the implementation of these Guidelines shall be undertaken in accordance with the principle of proportionality, after taking into due consideration:

- 36.2.1. the scale and complexity of operations;
- 36.2.2. the nature of the activity the entity is engaged in;
- 36.2.3. its interconnectedness with the financial ecosystem; and
- 36.2.4. the corresponding cyber risks the entity is exposed to.

CHAPTER - XIV: SURRENDER OF REGISTRATION

37. Surrender of Registration

37.1. In terms of regulation 14 of the CMI Regulations, a CRA may file an application with the Authority for surrender of its registration.

37.2. The CRA shall provide the following information while submitting application for surrender of registration:

37.2.1. Details of registration;

37.2.2. Original Certificate of Registration (if issued in physical form);

37.2.3. List of all activities that are being carried out by the entity;

37.2.4. Details of registration in any other capacity with IFSCA;

37.2.5. List of controlling shareholders and directors;

37.2.6. Details of any material regulatory action taken or pending against the CRA or any of its controlling shareholder or director by any financial sector regulator in the last three years;

37.2.7. Details of ongoing material litigations, if any;

37.2.8. Copies of board resolution and shareholder resolution, as applicable, relating to surrender of registration;

37.2.9. Reasons for surrender of registration; and

37.2.10. Undertaking as under:

Whether any disciplinary proceeding is pending against the Applicant	
Whether any investigation/adjudication/ enquiry by IFSCA is pending against the applicant or its controlling shareholders and directors	
Whether as on date of application all fees have been paid and also mention the date of next due date of payment of fee	
Whether any arrangements made by the applicant for maintenance and preservation of records and other documents required to be maintained under the relevant regulations /guidelines of IFSCA	

Whether any arrangements made to transfer its activities to another intermediary holding a valid certificate of registration to carry on such activity	
Whether there are any investor complaints pending against the applicant as on the date of application.	
