



CIRCULAR

F. No. IFSCA-PLNP/53/2024-Capital Markets

October 17, 2024

To

All Market Infrastructure Institutions in the International Financial Services Centre (IFSC)

All IFSC Banking Units in the IFSC

Madam/Sir,

Sub: Listing of Commercial Paper and Certificates of Deposit on the recognised stock exchanges in the IFSC

1. The IFSCA (Listing) Regulations, 2024 ("Listing Regulations") provide the regulatory framework for listing of securities and other permitted financial products on the recognised stock exchanges in the IFSC. Regulations 80 and 81 of the Listing Regulations enable listing of Commercial Paper and Certificates of Deposit respectively in such manner and subject to such conditions as may be specified by IFSCA ("the Authority").
2. Accordingly, the listing of Commercial Paper and Certificates of Deposit on the recognised stock exchanges in the IFSC shall be in accordance with the requirements specified in this circular.

A. Commercial Paper

Eligible Issuers

3. An issuer meeting the eligibility criteria provided under Chapter II of the IFSCA (Listing) Regulations, 2024 shall be eligible to list commercial paper ("CP") on a recognised stock exchange in the IFSC:



Provided that an issuer being a person resident in India¹ is not eligible to issue a CP in terms of the framework on '*External Commercial Borrowings*' specified by Reserve Bank of India under the provisions of the Foreign Exchange Management Act, 1999.

Conditions

4. *Depository*: The issuer shall ensure that the CP listed on a recognised stock exchange in the IFSC is in demat form and held with a recognised depository in the IFSC or an international central securities depository.
5. *Maturity*: The issuer shall ensure that the maturity of the CP proposed to be listed on a recognised stock exchange in the IFSC is not less than seven days and not more than one year.
6. *Currency*: The issuer shall ensure that the CP is denominated in a specified foreign currency as permitted under regulation 8 of the Listing Regulations.
7. *Other conditions*:
 - a. CP shall be issued at a discount to face value.
 - b. The issuance of a CP with options (call/put) is not permitted.
 - c. The issuance of a CP is not permitted to be underwritten or co-accepted.

Eligible Investors

8. The issuer may issue a CP to a person resident in India or to a person resident outside India²:

Provided that such issuance shall be in compliance with the applicable provisions of the Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder.

Listing Application

9. An issuer desirous of listing its CP on a recognised stock exchange shall file the listing application along with a copy of offer document or information memorandum, as

¹ As defined in the Foreign Exchange Management Act, 1999

² As defined in the Foreign Exchange Management Act, 1999



applicable, with the recognised stock exchange in accordance with the requirements specified by the exchange.

The application shall be accompanied with regulatory fee of USD One thousand. The regulatory fees received by the stock exchange shall be remitted to the Authority.

Explanation: The issuer may choose to list CP as a standalone issue or through series of issuances. The issuer shall be required to file an information document or by whatever name called, at the time of listing of CP at every issue along with the said regulatory fee.

Initial Disclosures

10. The offer document or information memorandum, as applicable, shall contain all material disclosures which are true, correct and adequate to enable the investors to take an informed investment decision.
11. The issuer shall ensure that the following disclosures are made in the offer document or information memorandum:

A. Issuer Disclosures:

- i. General information
- ii. Risk Factors
- iii. Information about the issuer
- iv. Business description
- v. Organisational structure
- vi. Management
- vii. Major / controlling shareholders
- viii. Audited Financial Statements
- ix. Details of borrowings of the company
- x. Statutory auditor
- xi. Material outstanding litigations
- xii. Defaults

Explanation: The issuer shall provide details of all material default(s) and/ or delay in payments of interest and principal in the past 5 financial years.

- xiii. Other material events



Explanation: The issuer shall provide details of all material events or developments that may have implications on the financials or credit quality which may affect the issue or the investor's decision to invest in the CP.

B. Issue related disclosures:

- i. Terms relating to issue of CP
- ii. Use of proceeds
- iii. List of exchanges where the CP is listed or proposed to be listed
- iv. Details of credit rating (if obtained)
- v. CP borrowing limit along with supporting board resolution
- vi. Details of all CPs issued during the last 12 months
- vii. Details of credit support/ enhancement (if any)

Continuous Disclosures

12. The issuer having outstanding listed CP shall disclose the audited financial statements for the full financial year to the recognised stock exchange(s) immediately after the approval of its board of directors, but in any event not later than three months of the end of financial year:

Explanation: The issuer shall prepare its financial statements in accordance with IFRS or US GAAP or Ind AS or other accounting standards as applicable in its home jurisdiction:

Provided that an issuer preparing financial statements as per the accounting standards of its home jurisdiction (other than IFRS, US GAAP and Ind AS) shall be required to reconcile the same with IFRS.

13. The issuer shall immediately disclose to the recognised stock exchange(s) all events which are material or price sensitive.

Explanation: For the purpose of this Circular, immediately shall mean promptly but not later than twenty-four hours.

14. The issuer shall immediately disclose to the recognised stock exchange(s) the following events:



- a. Details such as expected default/ delay/ default in timely fulfilment of its payment obligations for any of the debt instruments issued by the issuer; and
 - b. Any material event or development or action that may adversely affect fulfilment of its payment obligations in respect of the CP.
15. The issuer shall immediately disclose to the recognised stock exchange any revision in the credit rating of the CP.

Buyback

16. The issuer shall ensure that any buyback of a CP shall be in compliance with the following requirements:
- a. The buyback of a CP, in full or part, shall be at the prevailing market price.
 - b. The buyback offer shall be extended to all investors in the CP issue. The terms of the buyback should be identical for all investors in the issue.
 - c. The buyback offer may not be made before 30 days from the date of issue.
 - d. The CP bought back shall stand extinguished.

B. Certificates of Deposit ("CD")

Eligible Issuers

17. An IFSC Banking Unit licensed by the Authority shall be eligible to list its CD on a recognised stock exchange in the IFSC. The issuance of CD shall be in accordance with the IFSCA (Banking) Regulations, 2020 and the IFSCA Banking Handbook issued by the Authority from time to time.

Conditions

18. *Depository:* The issuer shall ensure that the CD listed on a recognised stock exchange in the IFSC is in demat form and held with a recognised depository in the IFSC or an international central securities depository.

Listing Application

19. An issuer desirous of listing its CD on a recognised stock exchange shall file the listing application along with a copy of the offer document or information memorandum, as applicable, with the recognised stock exchange in accordance with the requirements specified by the exchange. The application shall be accompanied with regulatory fee



of USD One thousand. The regulatory fees received by the stock exchange shall be remitted to the Authority.

Explanation: The issuer may choose to list CD as a standalone issue or through series of issuances. The issuer shall be required to file an information document or by whatever name called, at the time of listing of CD at every issue along with the said regulatory fee.

Initial Disclosures

20. The offer document or information memorandum, as applicable, shall contain all material disclosures which are true, correct and adequate to enable the investors to take an informed investment decision.

21. The issuer shall ensure that the following disclosures are made in the offer document or information memorandum:

A. Issuer Disclosures:

- i. General information
- ii. A brief description of the parent bank and the IBU's business activities.
- iii. Information about the statutory Auditor
- iv. Defaults

Explanation: The issuer shall provide details of all material default(s) and/ or delay in payments of interest and principal in the past 5 financial years.

v. Other material events

Explanation: The issuer shall provide details of all material events or developments that may have implications on the financials or credit quality which may affect the issue or the investor's decision to invest in the CD.

B. Issue related disclosures:

- i. Terms relating to issue of CD
- ii. Use of proceeds
- iii. List of exchanges where the CD is listed or proposed to be listed
- iv. Details of all Certificates of Deposit issued during the last 12 months



Continuous Disclosures

22. The issuer shall immediately disclose to the recognised stock exchange(s) the following events:

- a. Details such as expected default/ delay/ default in timely fulfilment of its payment obligations of any CD or any of the debt instrument issued by the issuer; and
- b. Any material event or development or action that may adversely affect fulfilment of its payment obligations in respects of the CD.

C. Miscellaneous

23. The recognised stock exchanges shall put in place necessary systems and procedures for listing and trading of CPs and CDs.

24. The recognised depository shall put in place necessary systems and procedures for dematerialisation of CPs and CDs.

The circular is issued in exercise of powers conferred by section 12 of the International Financial Services Centres Authority Act, 2019 read with regulation 130 of the IFSCA (Listing) Regulations, 2024 to develop and regulate the financial products, financial services and financial institutions in the International Financial Services Centres.

A copy of the circular is available on the website at www.ifsc.gov.in

Yours faithfully,

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