



CIRCULAR

SEBI/HO/MIRSD/DoR/P/CIR/2022/61

May 13, 2022

To

- 1. Registered Stock Brokers through Stock Exchanges**
- 2. Registered Clearing Members through Clearing Corporations**
- 3. The Managing Directors / Chief Executive Officers of all Stock Exchanges and Clearing Corporations**

Dear Sir/Madam,

Subject: Guidelines for seeking NOC by Stock Brokers / Clearing Members for setting up Wholly Owned Subsidiaries, Step Down Subsidiaries, Joint Ventures in GIFT IFSC.

1. SEBI receives applications from Stock Brokers / Clearing Members for granting NOCs for setting up Wholly Owned Subsidiaries, Step Down Subsidiaries, Joint Ventures, etc. in GIFT IFSC. With an endeavour to rationalise and streamline the process of application, the following guidelines are being issued.
 - a) The format of application along with list of supporting documents for seeking NOC for setting up Wholly Owned Subsidiaries, Step Down Subsidiaries or entering into Joint Ventures in GIFT IFSC is placed as Annexure-A.
 - b) Stock Brokers and Clearing Members shall apply through a Stock Exchange where the applicant is a member, along with the required information, documents and NOC received from all Stock Exchanges/Clearing Corporations/Depositories in which the applicant is a member/participant.
 - c) Stock Exchanges / Clearing Corporations (where the applicant is only clearing member) are directed to forward the complete application to SEBI, after verification along with its recommendation.
2. The circular shall come into force with immediate effect.

3. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
4. This circular is issued with the approval of the competent authority.

Yours faithfully,

Dinesh Joshi
Deputy General Manager
Market Intermediaries Regulation and Supervision Department
Tel. no.:022 26449847
email id: dineshj@sebi.gov.in

Encl.: As above

**APPLICATION TO SEBI FOR OPENING OF WHOLLY OWNED
SUBSIDIARIES, STEP DOWN SUBSIDIARIES OR ENTERING INTO
JOINT VENTURES IN GIFT IFSC**

Please read the instructions carefully before filling up the Application form:

1. Fill in all the particulars clearly.
 2. The information should be complete in all respects.
 3. Please attach the relevant enclosures.
 4. The application shall be submitted through Stock Exchange / Clearing Corporation along with NOC obtained from all the Stock Exchanges/ Clearing Corporations/Depositories, where the applicant is a member/participant and other documents as listed in the present form.
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I GENERAL INFORMATION:

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|---|---|--|
| 1 | Details of all registrations of the applicant company in India and abroad | 1. Name of the entity (Earlier name, if any) 2. Type of Intermediary (If Broker, names of Exchanges and if DP, name of the Depositories) 3. Registration Number 4. Date of Registration |
| 2 | Networth of the applicant company (in Rs.) | |
| 3 | Details of the following persons: a) Promoters (Name and PAN number) b) Directors (Name, DIN and PAN number) c) Key Person of the applicant (Name and PAN number) | |
| 4 | Details of regulatory action taken/ initiated/ pending, if any, against the applicant/ promoters/ directors/key personnel/ principal officer of the applicant company (in India/abroad) | |
| 5 | Any fee remaining unpaid to SEBI by applicant/ associates | |
| 6 | Amount of proposed investment (converted in Indian Rupees) | |

| | | |
|---|--|---|
| 7 | Whether the applicant is setting up a Wholly Owned subsidiary (WOS) or a Step Down Subsidiary (SDS) or entering into Joint Venture (JV) or acquiring stake in an existing company. | |
| 8 | Details of the proposed WOS/SDS/JV in GIFT IFSC (provide relevant details in case of equity participation in existing company or joint venture with a company) | a) Name of the proposed entity in GIFT IFSC b) Purpose for setting up the WOS/SDS/JV/Equity Participation etc. c) Nature of proposed activities |

II UNDERTAKING

- a. Pursuant to setting up Wholly Owned Subsidiary / investment in step down subsidiary/joint venture, etc., we shall maintain networth for each category of registration as per SEBI Act, 1992 & Regulations/ circulars issued there under and bye laws/ rules/ regulations/ circulars, etc. issued by respective stock exchanges/Depositories.

Signature

Name

Designation

Place:

Date:

III. ENCLOSURES:

- a. Certificate of Networth:
- i) Networth Certificate of the applicant based on the latest audited results (in Rs.), duly certified by a Chartered Accountant.
 - ii) In case the above Networth Certificate is more than 6 months old, then provide i) above as well as the latest provisional networth certificate, duly certified by a Chartered Accountant.
- b. NOC obtained from all the Stock Exchanges/Depositories where the applicant is a member/ participant, in case the applicant is a Stock Broker/Depository Participant.
- c. Details of any non-compliance w.r.t 'fit and proper person' criteria as specified in Schedule II of SEBI (Intermediaries) Regulations, 2008.
- d. Declaration cum undertaking (format enclosed) with regard to compliance with the 'fit and proper person' criteria as specified in Schedule II of SEBI (Intermediaries) Regulations, 2008 duly stamped and signed by the Authorized Signatories of the applicant.
- e. Latest shareholding pattern of the applicant and list of the shareholders who have controlling interest.

Declaration Cum Undertaking

We M/s. Name of the intermediary, having SEBI registration certificate in the capacity of _____ bearing registration number _____ hereby declare and undertake the following w.r.t our application for setting up WOS/SDS/JV in GIFT IFSC:

1. Name of the intermediary and its principal officer, directors or managing partners, compliance officer, key management persons, promoters or persons holding controlling interest or persons exercising control over the intermediary directly or indirectly and person holding twenty percent or more voting rights of the intermediary (hereinafter referred to as “We” or “Us”) are fit and proper person as per requirement laid down in Schedule II of SEBI (Intermediaries) Regulations, 2008.
2. We bear integrity, honesty, ethical behaviour, reputation, fairness and character.
3. We do not incur following disqualifications mentioned in Clause 3(b) of Schedule II of SEBI (Intermediaries) Regulations, 2008 i.e.
 - (i) No criminal complaint or information under section 154 of the Code of Criminal Procedure, 1973 (2 of 1974) has been filed against us by the Board and which is pending.
 - (ii) No charge sheet has been filed against us by any enforcement agency in matters concerning economic offences and is pending.
 - (iii) No order of restraint, prohibition or debarment has been passed against us by the Board or any other regulatory authority or enforcement agency in any matter concerning securities laws or financial markets and such order is in force.
 - (iv) No recovery proceedings have been initiated by the Board against us and are pending.
 - (v) No order of conviction has been passed against us by a court for any offence involving moral turpitude.
 - (vi) No winding up proceedings have been initiated or an order for winding up has been passed against us.
 - (vii) We have not been declared insolvent.
 - (viii) We have not been found to be of unsound mind by a court of competent jurisdiction and no such finding is in force.
 - (ix) We have not been categorized as a wilful defaulter.
 - (x) We have not been declared a fugitive economic offender.
4. We have not been declared as not ‘fit and proper person’ by an order of the Board.

5. No notice to show cause has been issued for proceedings under SEBI(Intermediaries) Regulations, 2008 or under section 11(4) or section 11B of the SEBI Act during last one year against us.
6. It is hereby declared that we and each of our Promoters, Directors, Principal Officer, Compliance Officer and Key Managerial Persons are not associated with vanishing companies.
7. There is no outstanding SEBI fee payable by the intermediary.

The said information is true to our knowledge.

(stamped and signed by the Authorised Signatories)