

CIRCULAR

SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/61

May 2, 2025

To,

All recognized Stock Exchanges

Stock Brokers through Recognized Stock Exchanges

Dear Madam / Sir,

Sub: Measure for Ease of Doing Business – Facilitation to SEBI registered Stock Brokers to undertake securities market related activities in Gujarat International Finance Tech-city – International Financial Services Centre (GIFT-IFSC) under a Separate Business Unit (SBU)

1. In order to facilitate SEBI registered stock brokers to undertake securities market related activities in Gujarat International Finance Tech-city – International Financial Services Centre (GIFT-IFSC), it has been decided to do away with the requirement of obtaining specific approval from SEBI.
2. Stock brokers proposing to undertake securities market related activities in GIFT-IFSC are permitted to do so under a Separate Business Unit (SBU) of the stock broking entity itself. These activities can also be carried out if the branch qualifies as an SBU.
3. Existing practice of carrying out securities market related activities in GIFT-IFSC through a subsidiary is also allowed. Thus, the form in which these activities are to be carried out is at the discretion of the entity.
4. The matters related to policy, eligibility criteria, risk management, investor grievances, inspection, enforcement, claims etc. for SBU in GIFT-IFSC would be specified under the regulatory framework issued by the concerned regulatory authority and all activities of the SBU in GIFT-IFSC would be under the jurisdiction of that regulatory authority.
5. In pursuance of the above regulatory jurisdiction, to demarcate the regulatory obligations and to ring fence the activities of the stock brokers in Indian securities market and that of SBU in GIFT-IFSC, some of the key safeguards are being prescribed as under:



- 5.1 Stock brokers shall ensure that securities market related activities of the SBU in GIFT-IFSC are segregated and ring-fenced from the Indian securities market related activities of the stock broker and arms-length relationship between these activities is maintained.
- 5.2 Such SBU in GIFT-IFSC shall be exclusively engaged in providing securities market related activities as permitted by the IFSCA. Further that, the activities to be carried out by the SBU shall be as permitted by the IFSCA.
- 5.3 Stock brokers shall prepare and maintain a separate account for the SBU on arms-length basis.
- 5.4 The net worth of the SBU shall be kept segregated from the net worth of the stock broker in the Indian securities market. Net worth criteria for stock broker shall be satisfied after excluding account of the SBU. The net worth for the purpose of the SBU shall be as per regulatory framework issued by the concerned regulatory authority.
6. As the activities of the SBU shall be under the jurisdiction of another regulatory authority, Grievance Redressal Mechanism and Investor Protection Fund (IPF) of the stock exchanges and SCORES shall not be available for investors availing the services of the SBU.
7. Stock brokers who have already floated subsidiary or entered into joint venture to undertake securities market related activities in GIFT-IFSC after obtaining approval from SEBI, shall have an option to dismantle at its discretion, such subsidiary/joint venture and carry out such services under an SBU of the stock broking entity itself.
8. This circular is issued in exercise of powers conferred under Section 11(1) of Chapter IV of the Securities and Exchange Board of India Act, 1992, read with regulation 30 of the SEBI (Stock Brokers) Regulations 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
9. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'.

Yours faithfully,

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