



Department: Membership	Segment: All
Circular No: MSE/MEM/14143/2023	Date : September 15, 2023

Sub: Guidelines for identification of Foreign Entity / Person as Promoter

To All Members,

This is with reference to Exchange Circular Ref. No. MSE/MEM/10757/2021 dated August 6, 2021 regarding Uniform Norms for change in shareholding /control. In continuation of the same, Members of the Exchange are, hereby, advised to take note of the following guidelines with respect to identification of foreign entity/person as a promoter:

1. Foreign citizens/nationals cannot be identified as promoter.
2. Foreign entity/ies can be identified as promoter/promoter group subject to the following conditions:
 - a) They need to comply with Reserve Bank of India norms and any other requirements of the Securities and Exchange Board of India and / or Exchange as may be applicable from time to time.
 - b) They shall meet the condition of fit and proper person as envisaged in the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.
 - c) The identified foreign entities have to comply with any of the following norms:
 - i. The promoting foreign entity or any of its holding company/subsidiary should be either a bank or insurance company regulated by the Central Bank or such other relevant regulatory authority of that respective country and has a networth of at least Rs. 50 crores.
 - ii. The promoting foreign entity or any of its holding company/subsidiary should be broking house/participant in the securities market that is registered or regulated by the relevant regulatory authority of that respective country and that the relevant authority should be a member of International Organization of Securities Commission (IOSCO). The promoting foreign entity should have networth of at least Rs. 50 crores.
 - iii. The promoting foreign entity or any of its holding company/subsidiary should be Government owned Finance and/or Development Institution and has a networth of at least Rs.50 crores.
 - iv. The promoting foreign entity or any of its holding company/subsidiary should be Pension fund, Sovereign Wealth Fund, Broad Based Investment Fund which are registered or regulated by relevant regulatory authority of that respective country or specifically exempt from such registration. Pension fund, Sovereign Wealth Fund or broad based investment fund should have minimum of USD 50 million Asset Under Management (AUM). The ultimate fund needs to be a large fund having AUM of at least USD 200 million and the direct investing fund/scheme having AUM of USD 50 million.

The provisions of this notice shall into force with immediate effect.

In case, Trading Members require any clarification on the subject matter of the Notice, kindly email on: membership@msei.in

**For and on behalf of
Metropolitan Stock Exchange of India Limited**

**Mahendra Choudhari
AVP –Membership and Inspection**

Metropolitan Stock Exchange of India Limited

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