

# National Stock Exchange of India

## Circular

Department: Compliance	
Download Ref No: NSE/COMP/52970	Date: July 14, 2022
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To All Members,

### **Sub: Identification of foreign entity as Member's promoter/promoter group**

This has reference to Exchange circular NSE/COMP/49213 dated August 06, 2021 regarding identification of Member's promoter/promoter group and change in control. In continuation of the same, Members are, hereby, advised to take note of the following guidelines with respect to identification of foreign entity/person as a promoter:

- I. Foreign citizens/nationals cannot be identified as promoter.
- II. Foreign entity/ies can be identified as promoter/promoter group subject to the following conditions:
  - a) They need to comply with Foreign Investment Promotion Board and/or 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.

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- 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.
- v. The promoting foreign entity is one whose domestic arm or subsidiary is registered with or regulated by any regulatory authority such as Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India, Pension Fund and Regulatory Development Authority or as decided by the Exchange from time to time and has a networth of at least Rs. 50 Crores.

The provisions of this circular shall come into force with immediate effect. Members are required to comply with these norms, in letter and spirit, on a continuous basis.

For any support, please reach out to the helpdesk on 1800 266 0050 (Select IVR option 3) or email at [compliance\\_mem@nse.co.in](mailto:compliance_mem@nse.co.in).

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

**Srijith Menon**  
**Associate Vice President**