

**CIRCULAR**

**SEBI/HO/DDHS/DDHS-POD3/P/CIR/2024/103**

**July 19, 2024**

**To**

**All Registered ESG Rating Providers (ERPs),**

Dear Sir/ Madam,

**Sub: Enabling ESG Rating Providers (ERPs) to undertake ESG rating activities under IFSCA**

1. In terms of Regulation 28E(d) of SEBI (Credit Rating Agencies) Regulations, 1999 ('CRA Regulations'), Para 7.1 of the Master Circular for ERPs dated May 16, 2024 provides that ERPs may undertake or offer ESG rating of any product or issuer, as may be required by another financial sector regulator or authority, under the guidelines of such regulator or authority. To enable ERPs to undertake ESG rating activities in the International Financial Services Centre - Gujarat International Finance Tech-city (IFSC-GIFT City), International Financial Services Centres Authority (IFSCA) is hereby added to the list of financial sector regulators/ authorities as specified in Annexure 4 of the aforesaid Master Circular for ERPs.
2. In line with the above provision, it is specified that the ESG ratings undertaken by an ERP under the guidelines of IFSCA shall be under the purview of IFSCA. Accordingly:
  - 2.1. Any issue arising from the activities of such SEBI registered ERPs in the IFSC shall be dealt with by IFSCA under the powers exercisable under Section 12 and 13 of IFSCA Act and regulations and subsidiary instructions made thereunder.
  - 2.2. IFSCA shall be responsible for dealing with complaints, enforcement actions and furnishing information to third parties, including statutory or judicial bodies, in respect to the services provided by the ERPs in the IFSC.
3. The circular shall be applicable with immediate effect.

4. This circular is issued with the approval of competent authority, in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 28H of CRA Regulations to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully,

**Sarika Kataria**  
**Deputy General Manager**  
**Department of Debt and Hybrid Securities**  
**Tel No.022-2644-9411**  
**Email ID - [sarikak@sebi.gov.in](mailto:sarikak@sebi.gov.in)**

**CIRCULAR**

SEBI/HO/DDHS/DDHS-POD3/P/CIR/2024/102

July 19, 2024

To

**All Registered Credit Rating Agencies (CRAs),**

Dear Sir/ Madam,

**Sub: Enabling Credit Rating Agencies (CRAs) to undertake rating activities under IFSCA**

1. In terms of Regulation 9(f) of SEBI (Credit Rating Agencies) Regulations, 1999 ('CRA Regulations'), Para 25 of the Master Circular for CRAs dated May 16, 2024 provides that CRAs may undertake the rating of financial instruments under the respective guidelines of the financial sector regulators/ authorities. To enable CRAs to undertake rating activities in the International Financial Services Centre - Gujarat International Finance Tech-city (IFSC-GIFT City), International Financial Services Centres Authority (IFSCA) is hereby added to the list of financial sector regulators/ authorities as specified in Annexure 19 of the aforesaid Master circular.
2. In line with the above provision, it is specified that the ratings undertaken by a CRA under the guidelines of IFSCA shall be under the purview of IFSCA. Accordingly:
  - 2.1. Any issue arising from the activities of such SEBI registered CRAs in the IFSC shall be dealt with by IFSCA under the powers exercisable under Section 12 and 13 of IFSCA Act and regulations and subsidiary instructions made thereunder.
  - 2.2. IFSCA shall be responsible for dealing with complaints, enforcement actions and furnishing information to third parties, including statutory or judicial bodies, in respect to the services provided by the CRAs in the IFSC.
3. The circular shall be applicable with immediate effect.

4. This circular is issued with the approval of competent authority, in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 20 of CRA Regulations to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully,

**Sarika Kataria**  
**Deputy General Manager**  
**Department of Debt and Hybrid Securities**  
**Tel No.022-2644-9411**  
**Email ID - [sarikak@sebi.gov.in](mailto:sarikak@sebi.gov.in)**