



SEBI allows units of REITs and InvITs of USA, Japan, South Korea, UK, France, Germany, Canada to list/trade on stock exchanges operating in IFSCs

September 17, 2020

The SEBI (International Financial Services Centre) Guidelines, 2015, provide that the stock exchanges operating in International Financial Services Centres (IFSCs) may permit dealing in certain types of securities and products in any currency other than Indian rupee, with a specified trading lot size on their trading platform. SEBI has power to notify permissible securities for such purposes. In exercise of such powers, SEBI has now permitted units of Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) by whatever name called in the 'Permissible Jurisdictions', to list and trade on the stock exchanges operating in IFSCs, subject to following conditions:

- Such InvITs and REITs must be incorporated/settled in certain Permissible Jurisdictions and must be listed on any of the following specified international exchanges in the Permissible Jurisdiction:

Permissible Jurisdictions	International Exchanges
United States of America	NASDAQ; NYSE
Japan	Tokyo Stock Exchange
South Korea	Korea Exchange Inc.
United Kingdom excluding British Overseas Territories	London Stock Exchange
France	Euronext Paris
Germany	Frankfurt Stock Exchange
Canada	Toronto Stock Exchange

(The power to notify such jurisdictions is provided in the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, and Government of India vide notification dated November 28, 2019, has notified the abovementioned jurisdictions as Permissible Jurisdictions)

- Such InvITs and REITs must be regulated by the securities market regulator(s) in the Permissible Jurisdictions

The stock exchanges in IFSC are required to evolve a detailed framework prescribing the initial and continuous listing requirements for such InvITs and REITs whose units are listed/proposed to be listed on stock exchanges in IFSC as per the above. Further, such listing and applicability of the circular by SEBI is subject to such conditions that may be prescribed by SEBI, Reserve Bank of India and other appropriate authority from time to time.

SEBI Circular dated September 16, 2020 ([available here](#)) has notified the aforementioned.

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at insights@elp-in.com

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