

Procedure for making regulations and subsidiary instructions Regulations, 2025. /GN/2025/006—. In exercise of the powers conferred by sub-section (1) of section 28 of the International Financial Services Centres Authority Act, 2019, the hereby makes the following regulations, namely: -

CHAPTER I

PRELIMINARY 1. Short title and commencement. (1) These regulations may be called the (Procedure for making regulations and subsidiary instructions) Regulations, 2025. (2) Save as otherwise provided in these regulations, they shall come into force on the date of their publication in the Official Gazette. 7 2. Definitions. (1) In these regulations, unless the context otherwise requires, - (a) "Act" means the Act, 2019; (b) "Authority" means the established under sub-section (1) of section 4 of the Act; (c) "public comments" means the comments received, in response to public consultation process regarding proposed regulation(s) or subsidiary instruction(s) or amendment(s) thereof, from any person including financial institutions, stakeholders and organisations directly or indirectly engaged in the financial services market; (d) "regulations" means the "regulations" made by the Authority in exercise of the powers conferred under section 28 of the Act; and (e) "subsidiary instruction" means an instrument approved by the Authority or such other officer to whom such power is delegated and issued in the form of circular, guideline, framework or any other instrument by whatever name called. (2) Words and expressions used and not defined in these regulations but defined in the Act shall have the meanings respectively assigned to them in the Act or any statutory modification or re-enactment thereto, as the case may be.

CHAPTER II

MAKING OF REGULATIONS AND SUBSIDIARY INSTRUCTIONS 3. Making regulations. The Authority may make regulations for carrying out the purposes of the Act, in compliance with regulations 5 and 6 hereunder. 4. Making of subsidiary instructions. (1) Subsidiary instructions may be issued to carry out the purposes of the Act, or any regulations made thereunder, including for: (a) providing terms, conditions or requirements to be complied with, in respect of any financial product, financial service or financial institution; (b) outlining the meaning, scope, or intent of any provision; (c) providing clarification on any provision; (d) laying down any procedural requirement; or (e) addressing any other matter necessary for effective implementation of the Act or regulations made thereunder. (2) The public consultation process, as specified under regulations 5 and 7, shall be followed before issuing any subsidiary instructions covered under clause (a) or (b) of sub-regulation (1).

CHAPTER III

PROCEDURE OF PUBLIC CONSULTATION, APPROVAL OF REGULATIONS AND SUBSIDIARY INSTRUCTIONS 5. Publishing consultation paper of the proposed regulations or subsidiary instructions. Public comments shall be sought, prior to making regulations or subsidiary instructions specified under sub8 regulation (2) of regulation 4, by publishing the consultation paper on the website of the Authority, which shall include:- (a) a statement carrying norms advocated by international standard setting agencies and the international regulatory best practices, if any, relevant to the proposed regulations or subsidiary instructions; (b) a statement of the problem(s), if any, that the proposed regulations or

subsidiary instructions seeks to address; (c) a statement carrying regulatory intent and objectives of the proposed regulations or subsidiary instructions; (d) the specific provision of any enactment(s) or regulations under which the Authority proposes regulations or subsidiary instructions, as the case may be; (e) the draft of proposed regulations or subsidiary instruction; and (f) the manner, process and timelines for receiving public comments.

6. Procedure of public consultation for proposed regulations. (1) The Authority shall ordinarily provide a minimum of 21 calendar days for receiving public comments. Provided that the Chairperson may, for the reasons to be recorded in writing, reduce the time period or dispense with the process of public consultation; Provided also that such decision of the Chairperson shall be placed before the Authority for information. (2) Post public consultation, the proposed regulations along with the agenda containing compilation of public comments or their summary with the remarks thereon, shall be placed before the Authority. (3) The proposed regulations may be considered by the Authority in terms of the International Financial Services Centres Authority (Procedure for Authority Meetings) Regulations, 2020. (4) If the Authority decides to approve the revised draft regulations, which is substantially different from the proposed regulations placed before it, it shall record the reasons for such deviation in writing. (5) The summary of public comments received, along with a general statement of response on the comments received and the substantial changes carried out by the Authority, if any, along with the justification thereof, shall be uploaded in the Authority's website, prior to the notification of regulations. (6) The regulations on being approved by the Authority shall be notified in the Official Gazette. (7) Upon examination of public comments received under sub-regulation (1), if it is warranted that substantive changes to the proposed regulations are necessary, and the Chairperson is of the view that such modifications if carried out in the proposed regulations would be substantially different from those set out in the consultation paper, he may direct to repeat the process of public consultation.

7. Procedure of public consultation for proposed subsidiary instruction. (1) The Authority shall ordinarily provide a minimum of 21 calendar days for receiving public comments. Provided that the Chairperson may, for the reasons to be recorded in writing, dispense with the process of public consultation or reduce the time period of it; Provided further that every such decision of the Chairperson shall be placed before the Authority for information. (2) Public comments received on the proposed subsidiary instruction shall be reviewed and where necessary, modifications shall be proposed. (3) The modified proposed subsidiary instruction along with the compilation of public comments, or their summary with the remarks thereon, shall be placed before the Authority or before such officer to whom such power is delegated by it, as the case may be. (4) The proposed subsidiary instruction may be approved by the Authority or by such officer to whom such power may be delegated by it. (5) The summary of the public comments received shall be uploaded on the Authority's website, along with a general statement of its response on the comments, prior to the issuance of subsidiary instruction.

8. Additional consultation mechanism(s) and constitution of committee(s). (1) Notwithstanding anything contained above, the Authority may explore additional mechanism(s) for engaging with stakeholder(s), as considered appropriate. (2) Without prejudice to provisions of these regulations, the Authority may constitute and consult expert or advisory committees, as it may consider appropriate, for making recommendations in relation to drafting or reviewing of regulations and subsidiary instructions. (3) The Authority may constitute an Independent Thematic Review Committee(s) (ITRCs) to conduct focused and independent evaluations of high-priority regulatory themes inter-alia for the purpose of Regulatory Impact Assessment, on such terms as it may deem fit.

9. Regulations made in case of exigency. Where the

Authority is of the opinion that it is expedient in the interest of development and regulation of the financial services market that the time to be taken for public consultation process would defeat the purpose of the proposed regulations or may cause undue delay in redressing the problem or market failure, the Authority may dispense with the public consultation process specified under these regulations.

CHAPTER IV

AMENDMENT AND REVIEW OF REGULATIONS AND SUBSIDIARY INSTRUCTIONS 10. Amendment of regulations and subsidiary instructions. Subject to provisions of regulation 6 and 9, an amendment to existing regulations or subsidiary instructions made under sub-regulation (2) of regulation 4, shall be made in compliance with the provisions of Chapter III. 11. Review of regulations. (1) Each regulation made under regulation 3 shall be reviewed every five years unless a review is warranted earlier, keeping in view: (a) its objectives; (b) its outcome; (c) experience of its implementation; (d) experience of its enforcement and the related litigation; (e) global best practices, if any; (f) its relevance in the changed environment; (g) the scope for reducing redundancies; (h) promoting ease of doing business; and (i) any other factor considered relevant by the Authority. (2) Pursuant to the review, if any amendment is warranted, the regulation shall be amended in accordance with Chapter III.

CHAPTER V

MISCELLANEOUS 12. Non-applicability on certain matters. (1) Notwithstanding anything contained in these regulations, the provisions of these regulations shall not be applicable to – (a) the internal organisational matters of the Authority, including those governing the conduct of its meetings, administration and service conditions of its employees; 10 (b) regulations and subsidiary instructions which deals with the procedural requirements or those which, in the opinion of the Chairperson, may not result in any substantive policy changes; (c) matters where the decision is being made in coordination with other government authorities or financial sector regulators; (d) matters concerning market integrity or national security where regulatory intervention may be required, for which larger public consultation may not be warranted; or (e) matters where the regulations or subsidiary instructions are required to be made in compliance with any other obligations arising out of international agreements, treaties or other such arrangements and no meaningful purposes would be served by public consultation. (2) The Authority shall be informed of such matters where the procedure laid down in these regulations are not made applicable. 13. Repeal and savings. (1) On and from the commencement of these regulations, the (Procedure for making Regulations) Regulations, 2021, shall stand repealed. (2) Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken under the repealed regulations , shall be deemed to have been done or taken or commenced under the corresponding provisions of these regulations. (3) Subsidiary instructions issued prior to commencement of these regulations shall be deemed to have been issued under these regulations. (4) No regulations and subsidiary instructions issued prior or subsequent to the commencement of these regulations, or any action taken under the said regulations and subsidiary instructions, shall be invalid merely by reason of non-adherence to the procedure specified in these regulations. and Published by the Controller of Publications, Delhi-110054. GORAKHA NATH YADAVA YADAVA