



CIRCULAR

IFSCA/CMD-DMIIT/PID-MII/2025-26/001

October 13 2025

To,

All the Market Infrastructure Institutions in the International Financial Services Centres (IFSC)

Dear Sir/Madam,

Sub: Governing Board of the Market Infrastructure Institutions (MIIs)

- A. Reference is drawn to the International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 (“MII Regulations”), in particular Chapter III, which *inter alia* specifies the governance norms for the MIIs.
- B. Clause (g) and (h) of sub-regulation (2) of regulation 24 of the MII Regulations, *inter alia*, requires the International Financial Services Centres Authority (“the Authority”) to specify:
- (i) the requirements to be fulfilled for appointment of directors on the Governing Board of the MII;
 - (ii) the standard or mechanism for performance review of the Public Interest Directors (PIDs).

C. In pursuance of the above regulations, the Authority hereby specifies as under:

Composition of the Governing Board of the MII

1. The directors of the Governing Board of the MII shall have the following qualifications and experience:

- (i) The Governing Board shall consist of directors having the requisite qualifications and experience in the areas of capital markets, finance and accountancy, legal and regulatory practice, technology, risk management or administration.
- (ii) The Governing Board shall consist of at least one PID having the requisite qualification and experience in each of the areas of:
 - a) capital markets;
 - b) finance and accountancy;
 - c) legal and regulatory practice; and
 - d) technology.

Provided that the MII may also appoint directors having qualifications and experience in other specialised areas which may be relevant to their functioning.

Appointment process of PIDs

2. The process for appointment of PIDs shall be as under:

- a) The Nomination and Remuneration Committee (NRC) shall identify at least two candidates for each vacancy of a PID, considering the eligibility criteria and other factors stipulated herein:

Provided that prior consent in writing shall be obtained from all the candidates before shortlisting them.

- b) The NRC shall assess the suitability of the candidates based on their profile, *inter alia*, including educational background, work experience and accordingly recommend their names to the Governing Board.
- c) The Governing Board shall carry out an independent assessment of the candidates based on the information provided by the NRC, and may seek additional information, if required.
- d) In the event the candidates recommended by the NRC are unable to meet the independent assessment criteria of the Governing Board, the Governing Board shall instruct the NRC to recommend another candidate, till the time at least two candidates are shortlisted by it.
- e) The names along with brief profile of all the candidates shortlisted by the Governing Board shall be submitted by the MII to the Authority for its approval.

Explanation I.- It is hereby clarified that in case the requirement of appointment of new PID arises due to the office falling vacant upon expiry of the term, an application for appointment of a new PID shall be submitted by the MII to the Authority, at least two months prior to such vacancy falling due.

Explanation II.- In case the position falls vacant due to any exigency, the competent authority may consider such application for appointment of a new PID.

- f) The Authority may select one of the shortlisted candidates for appointment as PID on the Governing Board of the MII.
- g) In the event the Authority is not satisfied with the names proposed by the MII, the Authority may either instruct the MII to shortlist and submit names of alternate candidates, or the Authority itself may nominate a person as a PID on the Governing Board of the MII, in accordance with sub-regulation (2A) of regulation 24 of the MII Regulations.

- h) The MIIs shall obtain such additional information and documents as specified in **Annexure-1** from the person selected for appointment as PID, and shall submit the same to the Authority for its approval.

Explanation.- For the purpose of this Clause, it is hereby clarified that for appointment of PIDs, the MIIs shall not be required to obtain approval of its shareholders.

Reappointment of a PID

3. In the case of reappointment of an existing PID, the MII shall make an application to the Authority at least two months prior to the expiry of the term of such PID:

Explanation. - Application for reappointment of existing PID shall be submitted after due consideration of the following:

- (i) the diversity of experience in the areas specified under Clause 1 (i) &(ii) of this Circular and experience in participating in the Governing Board; and
 - (ii) performance review conducted by the NRC, in accordance with Clause 6 of this Circular.
4. Additionally, such an application for reappointment shall be accompanied with information pertaining to the participation of the PID in the meetings of various internal Committees, the Governing Board, and any other information as may be required by the Authority.
5. The existing PID, may continue to hold office for a maximum period of three months from the date of expiry of their term or till a new PID is appointed, whichever is earlier, only if the Governing Board does not meet the mandatory regulatory requirements in relation to its constitution as specified under clause (b) of sub-regulation (2) of regulation 24.

Performance review of PIDs

6. (1) The MII shall frame the performance review policy for the PIDs ensuring the following:
 - (i) The policy shall, *inter alia*, include criteria and calculation methodology for such an evaluation.
 - (ii) The policy and any changes made therein shall be approved by the Governing Board.
- (2) A comprehensive and objective approach shall be adopted while undertaking performance review of PIDs, which shall, *inter alia*, include:
 - a) Prior responsibilities as a PID;
 - b) Domain expertise/experience in technology/ law/ finance and accounts/ capital market/ other specialised areas;
 - c) Sufficient mix of skillsets on the Governing Board;
 - d) General competencies and personal attribute-related parameters.

Knowledge upgradation of PIDs

7. The MIIs, in coordination with reputed institutions, may organize training programs in the areas of capital markets, technology, regulatory responsibilities, or any other relevant areas for the PIDs.
 8. The MIIs shall provide adequate training to all their PIDs, every year.
- D. This Circular is issued in exercise of powers conferred under Section 12 and 13 of the International Financial Services Centres Authority Act, 2019, read with clause (g) and (h) of sub-regulation (2) of regulation 24 and regulation 72 of the MII Regulations, and shall come into force with immediate effect.

A copy of this Circular is available on the website of the International Financial Services Centres Authority at www.ifsc.gov.in.

Yours faithfully,

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Annexure-1

[refer sub-clause (h) of clause (2)]

Following additional information and documents to be obtained by the MII from the person approved for appointment as PID on the Governing Board:

- (a) Name;
- (b) Address;
- (c) Educational qualification;
- (d) Details of employment/ Occupation, past and present;
- (e) Details of other directorships;
- (f) Director Identification Number;
- (g) Declaration regarding fulfilment of the requirements specified under regulation 23 of the MII Regulations;
- (h) Declaration confirming compliance with the requirements specified under regulation 24(2)(e)&(f) read with regulation 2 (1) (a) of the MII Regulations, in respect of non-association with Broker Dealer or Clearing Member or Depository Participant;
- (i) Details of any regulatory action, pending or completed taken by any statutory or regulatory authority against the person proposed to be appointed as directors;
- (j) Details of activities which, in the opinion of the director, lead to his/her disqualification;
- (k) Association with Broker Dealers /Clearing Members/ Depository Participants in IFSC;
- (l) Disclosure of the names of his/her dependents, if any, associated with the securities market in IFSC;
- (m) An undertaking that he/she shall abide by the code of conduct as specified in Part B of Schedule I of the MII Regulations;
- (n) Consent letter for acting as a PID;
- (o) Details of any criminal cases, pending or disposed off before any judicial/quasi-judicial/adjudicatory body or tribunal.