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## CIRCULAR

IFSCA/CMD-DMIIT/LES/2022/005

September 09, 2022

To,

**All the Stock Exchanges in the International Financial Services Centre (IFSC)**

Dear Sir/Madam,

**Subject: Amendment to guidelines for Liquidity Enhancement Scheme**

1. IFSCA, vide circular 286/IFSCA/PM(CMD-DMIIT)/2021/4 dated March 31, 2022, had issued Guidelines for Liquidity Enhancement Scheme in IFSC.
2. Based on the representations received from stock exchanges, it has been decided to modify Clause 1 a) and 2 a) of the aforementioned Circular as follows:  
  
*“1 a) The Scheme shall have prior approval of the Governing Board of the Stock Exchange, which will be valid for one year. The Governing Board of the Stock Exchange may grant annual approval till the time the scheme is in operation. Further, its implementation and outcome shall be monitored by the Governing Board at quarterly intervals.*  
  
*2 a) The Stock Exchange may introduce Liquidity Enhancement Schemes on any security. Once the scheme has been discontinued, it can be re-introduced on the same security”.*
3. The above will also apply to existing schemes. Other conditions stipulated in the aforementioned IFSCA circular shall remain unchanged.
4. The Stock Exchanges are hereby directed to:



- a) take necessary steps to put in place systems for implementation of the circular, including necessary amendments to relevant byelaws, rules and regulations;
- b) bring the provisions of this circular to the notice of broker dealers and also disseminate the same on its website;
- c) communicate to IFSCA the status of implementation of the provisions of this circular.

This circular is issued in exercise of powers conferred by section 12 of the International Financial Services Centres Authority Act, 2019 to develop and regulate the financial products, financial services and financial institutions in the International Financial Services Centres.

Yours faithfully,

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