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{ Speak the truth, abide by the law }

THE ROLE OF COMPANY SECRETARIES IN IFSCA

❖ Meaning:

IFSCA, stands for "International Financial Services Centres Authority," is the regulatory body set up by the Government of India to oversee and manage financial activities in International Financial Services Centres (IFSCs) across India. Its main job is to create rules and guidelines to develop these special zones into global financial centers. IFSCA aims to attract international financial institutions and promote various services like banking, insurance, capital markets, and asset management. By ensuring that rules are followed, IFSCA wants to make IFSCs transparent, stable, and trusted by investors. This helps boost India's financial sector by encouraging economic growth and innovation. The IFSCA is a government initiative in India to set up and regulate financial activities in special areas called International Financial Services Centres (IFSCs). These centres are designed to make it easier for international financial transactions and services to happen.

❖ Introduction:

The goal of the IFSCA is to make India a top global financial hub. It acts as the authority that oversees financial services and institutions in these special zones. Its job includes making rules and guidelines to create a good environment for business and to follow international standards.

The IFSCA wants to attract global investors and financial companies by offering a strong set of rules to follow. It covers various financial activities like banking, insurance, capital markets, and asset management. This helps to keep things clear and stable for investors and builds their trust in the IFSCs.

By doing this, the IFSCA aims to boost India's position as a favored place for international financial services. This move is expected to drive economic growth, create jobs, and bring in new technologies in the financial sector. As IFSCs grow and change, the IFSCA plays a key role in guiding their development and making sure they meet high standards of governance and rules.

❖ Upholding Governance and Compliance: The Essential Role of Company Secretaries in IFSCA

As a Company Secretary (CS) immersed in the realm of the International Financial Services Centres Authority (IFSCA), the role transcends mere administrative duties to become a cornerstone of governance, compliance, and ethical stewardship within this dynamic financial ecosystem. IFSCs represent hubs of global financial activity, necessitating meticulous adherence to regulatory frameworks and the highest standards of corporate governance. Herein lies the pivotal role of company secretaries, who serve as guardians of integrity and strategic advisors in navigating the complexities of IFSC operations.

1. Compliance Assurance

Central to the responsibilities of company secretaries in IFSCA is ensuring rigorous compliance with a spectrum of local and international regulations. From company law to financial reporting standards and securities regulations, CS professionals play a critical role in overseeing regulatory filings, disclosures, and compliance audits. This vigilance not only mitigates legal risks but also fosters a culture of transparency and accountability essential for maintaining the trust of stakeholders in IFSC entities.

2. Champions of Corporate Governance

Effective corporate governance is foundational to the sustainable growth and credibility of IFSC entities. Company secretaries facilitate the smooth functioning of boards of directors and executive committees, ensuring adherence to governance best practices and regulatory requirements. They assist in the preparation of board agendas, facilitate board meetings, and meticulously document decisions and actions, thereby reinforcing the governance framework that underpins operational excellence and stakeholder confidence.

3. Strategic Advisors and Risk Managers

In addition to their regulatory and governance roles, company secretaries in IFSCA serve as strategic advisors to senior management and boards. They provide insights into emerging regulatory trends, facilitate discussions on strategic initiatives, and support decision-making processes. By identifying and mitigating legal and compliance risks, CS professionals contribute to the resilience and sustainability of IFSC entities amidst a dynamic global financial landscape.

4. Promoting Ethical Conduct and Professional Development

Ethical conduct remains paramount in IFSC operations, and company secretaries play a crucial role in upholding ethical standards and promoting a culture of integrity. CS professionals educate and guide board members, executives, and employees on ethical practices and regulatory compliance through training programs and workshops. By fostering a culture of continuous learning and professional development, they empower IFSC personnel to uphold the highest standards of conduct and ethical behavior.

5. Stakeholder Value

- a. **Trust Building:** Ethical practices foster trust among stakeholders, including investors, clients, regulators, and the public. When stakeholders perceive that IFSC entities operate with integrity and transparency, they are more likely to engage confidently and invest in the organization's offerings.
- b. **Enhanced Reputation:** Ethical conduct contributes to building a positive reputation for

IFSC entities. A strong reputation attracts potential investors and partners, enhancing the organization's credibility in the global financial market.

- c. **Long-Term Sustainability:** Companies that prioritize ethical practices tend to achieve sustainable growth. By avoiding unethical shortcuts or practices that may lead to legal or reputational risks, IFSC entities can maintain their operations over the long term, thereby creating enduring stakeholder value.
- d. **Stakeholder Alignment:** Ethical practices help align the interests of different stakeholders with the organization's goals. This alignment can lead to collaborative efforts and positive relationships, fostering a supportive environment for growth and innovation within IFSCA.
- e. **Compliance and Risk Management:** Adhering to ethical standards ensures compliance with regulatory requirements and mitigates operational risks. Company secretaries play a critical role in advising on ethical guidelines and ensuring that IFSC entities operate ethically while meeting legal obligations.

In summary, by promoting ethical practices, company secretaries in IFSCA contribute significantly to enhancing stakeholder trust, fostering a positive reputation, promoting long-term sustainability, aligning stakeholder interests, and ensuring compliance and risk management. These factors collectively contribute.

❖ **Recognition to Company Secretaries under International Financial Services Centres Authority:**

Sr.no	Authority	Purpose	When Obtained
1.	IFSCA Circular No. 206/IFSCA/Anc.Aux/2020-21 on Framework for enabling Ancillary services at IFSC	To provide one or more permissible ancillary services within the IFSC.	February 10, 2021
2.	International Financial Services Centres Authority (Registration of	(a) To certify that all the	October 18, 2021

	<p>Insurance Business) Regulations, 2021</p> <p>(a) [FORM-B, Point 12- Certificate from CA /CS]</p> <p>(b) [FORM-C, Point 14- Certificate from CA/CS]</p>	<p>requirements of the Act read with IFSCA (Registration of Insurance Business) Regulations, 2021 and notifications issued under section 2CA of the Act have been complied with by the applicant.</p> <p>b) To certify that all the requirements of the Act read with IFSCA (Registration of Insurance Business) Regulations, 2021 and notifications issued under section 2CA of the Act have been complied with by the applicant.</p>	
3.	<p>International Financial Services Centres Authority (Insurance Intermediary) Regulations, 2021</p> <p>(a) [Regulation 13(6)]</p> <p>(b) [Regulation 22(3)]</p> <p>(c) [Schedule VI, FORM B, Point 12- Certificate from CA / CS]</p>	<p>a) To certify the net worth of IFSC Insurance Intermediary Office (IIIO) on half yearly basis.</p> <p>(b) To certify compliance of Regulation 22- Ceiling on business from</p>	October 18, 2021

		<p>single client on annual basis.</p> <p>(c) To certify that all the requirements of the Act read with IFSCA (Insurance Intermediary) Regulations, 2021 and rules, circulars have been complied with by the applicant</p>	
4.	<p>International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021</p> <p>(a) [Regulation 22(1)]</p> <p>(b) [Schedule I, Part I, Point 12]</p>	<p>a) To conduct the annual audit of the registered capital market intermediary in respect of compliance with IFSCA (Capital Market Intermediaries) Regulations, 2021.</p> <p>(b) To issue Net-worth Certificate to the applicant willing to register as a capital market intermediary with the IFSCA.</p>	October 18, 2021

❖ Recognition to Company Secretary under the International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021

The Institute has been working to create new opportunities for its members. It has been suggesting changes to draft rules, regulations, policies, and guidelines from various government bodies and regulatory authorities to help members find new areas of practice and employment.

As CS to be I am happy to share that the International Financial Services Centres Authority (IFSCA) has officially recognized Company Secretaries as Compliance Officers. This recognition is in accordance with Regulation 130 of the IFSCA (Issuance and Listing of Securities) Regulations, 2021, which was published in the gazette on July 16, 2021.

Regulation 130. Compliance Officer and his Obligations

1. A listed company must appoint a qualified company secretary as the compliance officer.
2. The compliance officer must:
 - Make sure the company follows all rules and regulations.
 - Work with and report to IFSCA, stock exchanges, and depositories to ensure compliance.
 - Confirm that all procedures are followed so that information and reports filed by the company are accurate and complete.

❖ Conclusion

In conclusion, company secretaries at IFSCA show dedication to excellence, honesty, and proactive management. They play a crucial role in ensuring that IFSC entities follow rules, manage well, and give strategic advice. This helps them grow sustainably and create value for everyone involved. Company secretaries in IFSCA not only handle challenges but also help IFSC entities become trusted players in global finance. They show professionalism and ethical leadership in all they do.

Company secretaries at IFSCA demonstrate their essential role in shaping the future of global finance with integrity and excellence through their expertise and dedication.