

(iv) prevent any individual who may, or whose family member may, benefit directly or indirectly, from such loans or advances, from participating in the approval process for such loans or advances;

(v) ensure that the thresholds, if any, on such exposures, specified by home regulator of the IBU, are adhered to;

(vi) ensure that periodic audits are conducted to verify that such loans or advances comply with the policy referred to in (i) above; and

(vii) intimate the Department of Banking Supervision (DOBS) of the Authority about the grant of loans or advances to such persons within fifteen (15) working days of the date of the transaction.”

C. The extant para 4(ii)(d) shall be substituted with the following:

“Restrictions on Credit to Companies for Buy-back of their Securities

IBUs may provide loans to a company for buy-back of its securities, subject to the condition that the applicable law in the jurisdiction where such company is incorporated permits availing of such loans.”

3. This circular is issued in exercise of the powers conferred by sections 12 and 13 of the International Financial Services Centres Authority Act, 2019, and shall come into force with immediate effect.

Yours faithfully,

(Supriyo Bhattacharjee)
Chief General Manager
Head - Department of Banking