Introduction to Cross border trading and services in securities market

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IFSC in Gift City

- GIFT City
- International Financial Services Centres Authority (IFSCA)
- International Financial Services Centre
- Permissible securities in IFSC
- Entities / Stake holders involved in the settlement of trade
- Who are eligible to trade
Unsponsored Depository Receipts (UDR)

UDR is a negotiable financial instrument in the nature of depository receipt by the Custodian, in its capacity as an IFSCA recognized custodian based on underlying shares issued by a globally listed companies.

Salient features of the UDR:

- It is a negotiable financial instrument in the nature of a depository receipt as defined under the International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021.

- It is created without the involvement, participation, or consent of Issuers of Underlying securities and/or global exchange(s). Accordingly, the Underlying securities of Issuers are not, and will not be, involved in the issuance, trading or cancellation of UDRs.

- It gives the holder of such UDR a proportionate beneficial interest in the underlying share. The extent of such beneficial interest is a function of the ratio in which UDRs are issued vis-à-vis one Underlying Share of the relevant Underlying Company.
For example - US Stocks in NSE IFSC

- Trading of US stocks in NSE IFSC is in form of unsponsored depository receipts
- The US custodian to hold underlying US Shares in an account with DTCC
- For every underlying shares held at DTCC, HDFC Bank as NSE IFSC receipts Custodian will create corresponding depository receipts and credit beneficiary account at GIFT based Depository
- Indian retail investors can trade US Stock on NSE IFSC
Key benefits to investors

Investment Opportunities in global economies and top performing companies

Entire framework governed and regulated by IFSCA

Transparency – All investment held in holder’s IFSC demat account

Trading in fractional quantity

Settlement guarantee by IFSC Clearing Corporation

Low cost remittance through Bank (International Banking Unit)

Entitled to corporate action benefits

Dedicated helpdesk for client servicing
Client Onboarding Process

**KYC**
- KYC process
- Upload UCC files
- FATCA W-8BEN Report (Declaration for Non-US citizen)

**Fund Remittance**
- Transfer funds from existing bank account in India to Trading Member’s segregated client account at GIFT IFSC

**Demat Account**
- Mandatory to open Demat account at GIFT IFSC based Depository

**Settlement**
- Settlement of funds for clients by TM/TCM

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**Start Investing in three simple steps**

1. **Account Opening**
   - Open your trading and demat account with IFSC registered brokers and Depository Participants

2. **Transfer Funds**
   - Transfer funds from your local bank account to IFSC registered brokers bank account

3. **Trading**
   - Once the fund reflects in your broker’s account, you are ready to trade in UDR
Thank you