



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CONSULTATION PAPER

DEPARTMENT OF DEBT AND HYBRID SECURITIES

Consultation paper on Modification in the regulatory framework for Online Bond Platform Providers (OBPPs) including measures for promoting ease of doing business

May 05, 2026



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

Timeline to Respond

Comments on the
Consultation paper may be
sent by May 26, 2026

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1. OBJECTIVE AND BACKGROUND:

- 1.1. The objective of this consultation paper is to seek comments/ views/ suggestions from the public on the proposals related to ease of doing business for Online Bond Platform Providers (OBPPs).
- 1.2. SEBI prescribed a regulatory framework for entities operating or desirous of operating as Online Bond Platform Providers (OBPPs) under regulation 51A of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("NCS Regulations"). This framework was further streamlined through subsequent circulars to provide for registration, specify the permissible list of products /services and other operational requirements.
- 1.3. While the aforementioned framework established the core architecture for OBPPs, certain suggestions have been received from various stakeholders to promote ease of doing business.
- 1.4. Accordingly, the matters consulted in this paper are as under:
 1. Proposal 1: To permit OBPPs to offer products or securities or services regulated by International Financial Services Centres Authority (IFSCA)
 2. Proposal 2: To permit OBPPs to offer Bonds issued under section 54EC of the Income Tax Act, 1961 or Section 85 of Income-tax Act, 2025 on its Online Bond Platform (OBP).
 3. Proposal 3: Review of regulatory framework for appointment of Compliance Officer by OBPPs
- 1.5. The detailed proposals related to aforementioned matters are mentioned in paragraph 2 of this consultation paper.

2. PROPOSALS FOR PUBLIC CONSULTATION

Public comments are invited on the following proposals:

2.1. Proposal 1: To permit OBPPs to offer products or securities or services regulated by International Financial Services Centres Authority (IFSCA)

2.1.1. Background:

The current regulatory framework applicable for OBPPs *inter-alia* allow OBPPs to offer products or securities or services that are regulated by a financial sector regulator viz. SEBI, RBI, IRDAI or PFRDA. However, there is no explicit provision to permit OBPPs to offer products or securities or services that are regulated by IFSCA.

2.1.2. Extant Regulatory Provisions

Clause 5.2.5 of Chapter XXI of Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated October 15, 2025 (“NCS Master Circular”) states as below:

5.2. An entity acting as an Online Bond Platform Provider, shall offer only the following products or securities or services on its Online Bond Platform: ...

.....

5.2.5. Other products or securities or services that are regulated by a financial sector regulator viz. SEBI, RBI, IRDAI or PFRDA.

.....

2.1.3. Need for review:

IFSCA has requested SEBI to permit OBPPs to offer overseas listed debt securities through a regulated framework in International Financial Services Centre (‘IFSC’). It has stated that stock broker registered with SEBI are presently permitted to undertake securities market related activities in the IFSC by registering themselves as brokers-dealers with IFSCA. However, OBPPs are not permitted to offer products or securities or services regulated by IFSCA.

2.1.4. Proposal

- a. SEBI has allowed Stock brokers to undertake securities market related activities in Gujarat International Finance Tech-city –International Financial Services Centre (GIFT-IFSC) under a Separate Business Unit (SBU) of the stock broking entity itself. These activities can also be carried out if the branch

qualifies as an SBU. Further, the practice of carrying out securities market related activities in GIFT-IFSC through a subsidiary is also allowed.

- b. Since OBPPs are registered with SEBI as a stock broker in the debt segment of stock exchanges, there is a need to consider permitting OBPPs to offer products/securities/services regulated by IFSCA.
- c. In view of the request made by IFSCA and to promote ease of doing business, it is proposed that the OBPPs may be permitted to offer products or securities or services regulated by IFSCA, in compliance with applicable guidelines under Foreign Exchange Management Act (FEMA), 1999, including Overseas Investment Rules and limits under Liberalised Remittance Scheme (LRS).
- d. It is also proposed that OBPPs shall offer products, securities, or services regulated by IFSCA in the manner specified for SEBI-registered stock brokers operating within the GIFT-IFSC.
- e. Further, to provide regulatory clarity on investor grievance redressal, it is also proposed that OBPPs shall disclose the details of investor grievance redressal mechanism for all the products or securities or services falling under the purview of FSR (other than SEBI)

2.1.5. Recommendation of CoBoSAC:

The above proposals are made based on the recommendations of the CoBoSAC.

Consultation 1: To permit OBPPs to offer products or securities or services regulated by International Financial Services Centres Authority (IFSCA)

Kindly provide your comments for the below items along with supporting rationale:

- 1) Whether the proposal to permit OBPPs to offer products or securities or services regulated by IFSCA, in compliance with applicable guidelines under FEMA, 1999, including Overseas Investment Rules and limits under LRS is appropriate and adequate?
- 2) Whether the proposal that OBPPs shall offer products, securities, or services regulated by IFSCA in the manner specified for SEBI-registered stock brokers operating within the GIFT-IFSC is appropriate and adequate?

- 3) Whether the proposal that OBPPs shall disclose the details of investor grievance redressal mechanism for all the products or securities or services falling under the purview of FSR (other than SEBI) is appropriate and adequate?

2.2. Proposal 2: To permit OBPPs to offer Bonds issued under section 54EC of the Income Tax Act, 1961 or Section 85 of Income-tax Act, 2025 on its Online Bond Platform (OBP)

2.2.1. Background:

The current provisions of regulatory framework applicable for OBPPs provides list of products/securities/services that can be offered by OBPPs on its Online Bond Platform (OBP). The said list *inter-alia* includes listed and proposed to be listed debt securities, municipal debt securities, securitized debt instruments and other products or securities or services that are regulated by a Financial Sector Regulator (FSR).

2.2.2. Extant Regulatory Provisions:

- a. Regulations 62A(1) and 62A(4)(i) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 states as below:

62A. (1) A listed entity, whose non-convertible debt securities are listed shall list all non-convertible debt securities, proposed to be issued on or after January 1, 2024, on the stock exchange(s).

....

(4) Notwithstanding anything contained in this regulation, no listed entity shall be required to list the following securities:(i) Bonds issued under section 54EC of the Income Tax Act, 1961 (43 of 1961);

- b. Clause 5.2 of Chapter XXI of NCS Master Circular states as below:

5.2. An entity acting as an Online Bond Platform Provider, shall offer only the following products or securities or services on its Online Bond Platform:

5.2.1. Listed debt securities, listed municipal debt securities and listed securitised debt instruments;

5.2.2. Debt securities, municipal debt securities and securitised debt instruments proposed to be listed through a public offering;

5.2.3. Listed Government Securities, State Development Loans and Treasury Bills;

5.2.4. Listed Sovereign Gold Bonds; and

5.2.5. Other products or securities or services that are regulated by a financial sector regulator viz. SEBI, RBI, IRDAI or PFRDA.

.....

2.2.3. Need for review:

- a. SEBI has received feedback that few OBPPs are willing to offer Bonds issued under section 54EC of the Income Tax Act, 1961 (“54EC Bonds”) on their Online Bond Platform (OBP).
- b. 54EC Bonds are tax saving bonds issued by the entities which are notified by the Central Government in the Official Gazette. Currently, Central Government owned entities like the Power Finance Corporation Limited (PFC), Indian Railways Finance Corporation Limited (IRFC), and the REC Limited (REC) can issue 54EC bonds under Section 54EC of the Income Tax Act 1961.
- c. Since such bonds are exempted from listing under section 62A(4)(i) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, there is an ambiguity whether OBPPs can offer the same on their OBPs.

2.2.4. Proposal:

- a. To provide clarity on 54EC Bonds and facilitate ease of doing business, it is proposed that OBPPs may be permitted to offer Bonds issued under section 54EC of the Income Tax Act, 1961 or Section 85 of Income Tax Act, 2025 on its Online Bond Platform.
- b. Further, it is proposed that features of 54EC bonds including eligible issuers, lock-in period, investment limit, non-transferable status, tax features, application size etc. shall be disclosed by OBPPs while offering these instruments.
- c. It is also proposed that such bond offering shall carry a disclaimer stating that these are specific tax-saving instruments and grievance redressal mechanism

for these investments does not fall under the purview of SEBI, all grievances should be directed to the issuer.

2.2.5. Recommendation of CoBoSAC:

The above proposals are made based on the recommendations of the CoBoSAC.

Consultation 2: To permit OBPPs to offer Bonds issued under section 54EC of the Income Tax Act, 1961 or Section 85 of Income-tax Act, 2025 on its Online Bond Platform (OBP).

Kindly provide your comments for the below item along with supporting rationale:

- 1) Whether the proposal to permit OBPPs to offer Bonds issued under section 54EC of the Income Tax Act, 1961 or Section 85 of Income-tax Act, 2025 on its OBP, is appropriate and adequate?
- 2) Whether the proposal to disclose features of 54EC bonds, while offering these instruments, is adequate and appropriate?
- 3) Whether the proposal to provide clear disclaimer with regards to tax feature and grievance redressal mechanism is adequate and appropriate?

2.3. Proposal 3: Review of regulatory framework for appointment of Compliance Officer by OBPPs

2.3.1. Background:

- a. As per current regulatory provision, any entity desirous to operate as OBPP needs to register itself as a stock broker in the debt segment of the Stock Exchange(s).
- b. Further, OBPPs are required to appoint a compliance officer who shall be a qualified company secretary. However, the requirement of appointing Company Secretary as compliance officer is not prescribed for Stock brokers in all segments of stock exchanges.

2.3.2. Extant Regulatory Provisions:

- a. Clause 1.1 of Annexure XXIA of Chapter XXI of NCS Master circular, applicable to OBPPs, states as below:

1.1. The entity has appointed a Company Secretary as a compliance officer.

- b. Regulation 17 of SEBI(Stock Brokers) Regulations, 2026 states as below:

“17. (1) Every stock broker shall appoint a compliance officer who shall be responsible for–

(a) monitoring the compliance of the Act, the Securities Contracts (Regulation) Act, 1956 or any rules or regulations made thereunder as well as the bye-laws, notifications, guidelines, instructions, etc., issued by the Board or recognised stock exchange as the case may be; and

(b) redressal of investors’ grievances.”

(2) The compliance officer shall immediately and independently report to recognised stock exchange any non-compliance observed

2.3.3. Need for review:

- a. In this regard, SEBI has received a request from The Institute of Chartered Accountants of India (ICAI) to allow Chartered Accountants to be compliance officers for OBPPs. In the said request, ICAI has drawn attention to SEBI regulations viz, SEBI (Stock Brokers) Regulation, 1992, SEBI (Investment Advisors) Regulations, 2013 and SEBI (Research Analysts) Regulations, 2014 which mention the conditions for appointment of Compliance Officer for Stock brokers, Investment advisors and Research Analysts respectively. It has been highlighted that the subject regulations contain no mandatory stipulation restricting the appointment of only Company Secretary as Compliance Officer.
- b. In view of the same, ICAI has requested to review the existing compliance officer requirement for OBPPs in order to ensure uniformity across regulations.

- c. Based on the above representation, there is a need to align the requirements pertaining to the appointment of a Compliance Officer of OBPPs with the corresponding requirements for stock brokers.

2.3.4. Proposal:

- a. To harmonize the appointment criteria for Compliance Officers of OBPPs with those of stock brokers and to facilitate the objective of 'Ease of Doing Business,' it is proposed to prescribe compliance officer requirements for OBPPs similar to stock brokers.
- b. Accordingly, Clause 1.1 of Annexure XXIA of Chapter XXI of NCS Master circular, may be substituted as under:

1.1 The entity has appointed a Compliance officer as per SEBI (Stock Brokers) Regulations, 2026¹.

Consultation 3: Regulatory framework for appointment of Compliance Officer by OBPPs

Kindly provide your comments for the below item along with supporting rationale:

- 1) Whether the proposal to align requirement for OBPPs to appoint a compliance officer with stock brokers is appropriate and adequate?

2.3.5. Recommendation of CoBoSAC:

The above proposals are made based on the recommendations of the CoBoSAC.

Enclosures:

Draft Circular titled “*Modification in the regulatory framework for Online Bond Platform Providers (OBPPs) including measures for promoting ease of doing business*” is placed at **Annexure A**.

¹ 1.1. Existing provisions reads as: *The entity has appointed a Company Secretary as a compliance officer.*

Public Comments

3. Considering the implications of the aforementioned matters on the market participants, public comments are invited on the above-detailed proposals. The comments/ suggestions should be submitted through the following mode latest by May 26, 2026 :-

3.1. Preferably through Online web-based form

3.1.1. The comments may be submitted through the following link:

<https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes>

3.1.2. The instructions to submit comments on the consultation paper are as under:

1. *Before initiating the process, please read the instructions given on top left of the web form as “Instructions”.*
2. *Select the consultation paper you want to comment upon from the dropdown under the tab – “Consultation Paper” after entering the requisite information in the form.*
3. *All fields in the form are mandatory;*
4. *Email Id and phone number cannot be used more than once for providing comments on a particular consultation paper.*
5. *If you represent any organization other than the types mentioned under dropdown in “Organization Type”, please select “Others” and mention the type, which suits you best. Similarly, if you do not represent any organization, you may select “Others” and mention “Not Applicable” in the text box.*
6. *There will be a dropdown of Proposals in the form. Please select the proposals one- by-one and for each of the proposal, please record your level of agreement with the selected proposal. Please note that submission of agreement level is mandatory.*
7. *If you want to provide your comments for the selected proposal, please select “Yes” from the dropdown under “**Do you want to comment on the proposal**” and use the text boxes provided for the same.*



8. After recording your response to the proposal, click on “Submit” button. System will save your response to the selected proposal and prompt you to record your response for the next proposal. Please follow this procedure for all the proposals given in the dropdown.
9. If you do not want to react on any proposal, please select that proposal from the dropdown and click on “**Skip this proposal**” and move to the next proposal.
10. After recording your response to all the proposals, you may see your draft response to all of proposals by clicking on “**Check your response before submitting**” just before submitting response to the last proposal in the dropdown. A pdf copy of the response can also be downloaded from the link given in right bottom of the web page.
11. The final comments shall be submitted only after recording your response on all of the proposals in the consultation paper

3.1.3. In case of any technical issue in submitting your comment through web based public comments form, you may contact the following through email with a subject: “*Modification in the regulatory framework for Online Bond Platform Providers (OBPPs)*”.

- a) Mr. Rohit Dubey, GM (rohitud@sebi.gov.in)
- b) Mr. Kartan Shivaraj, AGM (kartans@sebi.gov.in)
- c) Ms. Rinki Goswami, M (rinkig@sebi.gov.in)

Issued on: May 05, 2026

DRAFT CIRCULAR

SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/XXX

xxx , 2026

To,

**Entities operating as online bond platform providers;
Recognised Stock Exchanges and Clearing Corporations; and
Stock Brokers**

Madam/ Sir,

Subject: Modification in the regulatory framework for Online Bond Platform Providers (OBPPs) including measures for promoting ease of doing business

1. SEBI, vide notification dated November 09, 2022, prescribed a regulatory framework for entities operating or desirous of operating as OBPPs under regulation 51A of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("SEBI NCS Regulations"). This framework was further streamlined through subsequent circulars to provide for registration, specify the permissible list of products/services and other operational requirements.
2. While the aforementioned framework established the core architecture for OBPPs, certain suggestions have been received from various stakeholders, for enhancement of the framework and promote ease of doing business. Moreover, certain areas requiring regulatory refinement have also emerged from an internal review of the existing OBPP ecosystem. Accordingly, the following areas/suggestions are identified for regulatory modification:
 - 2.1. OBPPs may be permitted to offer products or securities or services regulated by International Financial Services Centres Authority (IFSCA).
 - 2.2. OBPPs may be permitted to offer Bonds issued under section 54EC of the Income Tax Act, 1961 or Section 85 of Income-tax Act, 2025.
 - 2.3. Compliance officer requirements for OBPPs.
3. In view of the above, Chapter XXI of Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated October 15, 2025 ("NCS Master circular") shall be modified as under:

3.1. Clause 5.2 shall be modified as under (modifications have been highlighted for ease of reference):

5.2. An entity acting as an Online Bond Platform Provider, shall offer only the following products or securities or services on its Online Bond Platform:

5.2.1. Listed debt securities, listed municipal debt securities and listed securitised debt instruments;

5.2.2. Debt securities, municipal debt securities and securitised debt instruments proposed to be listed through a public offering;

5.2.3. Listed Government Securities, State Development Loans and Treasury Bills;

5.2.4. Listed Sovereign Gold Bonds

5.2.5. Other products or securities or services that are regulated by a financial sector regulator viz. SEBI, RBI, IRDAI, **IFSCA** or PFRDA; **and**

5.2.6. Bonds issued under section 54EC of the Income Tax Act, 1961 or Section 85 of Income-tax Act, 2025

In case of the products or securities or services mentioned at 5.2.5 above,

- a. they may be offered by the entity either under a different tab on its online bond platform or on any other website/ platform.
- b. they will be governed by the directions / stipulations of the respective financial sector regulator.
- c. **The grievance redressal mechanism for such products shall be specified by the OBPPs on their platform.**
- d. **In the case of products, securities, or services regulated by IFSCA, OBPPs shall offer such products, securities, or services in the manner specified for SEBI-registered stock brokers operating within the GIFT-IFSC and in compliance with applicable guidelines under Foreign Exchange Management Act (FEMA), 1999, including Overseas Investment Rules and limits under Liberalised Remittance Scheme (LRS).**

5.2.7 In case of the securities mentioned at 5.2.6 above,

- a. **they may be offered by the entity either under a different tab on its online bond platform or on any other website/ platform.**
- b. **OBPPs shall provide a disclaimer that these are tax specific instruments and grievance redressal mechanism for these instruments does not fall under the purview of SEBI and the grievances should be directed to the issuer.**

- c. **OBPPs shall also disclose features of 54EC bonds including eligible issuers, lock-in period, investment limit, non-transferable status, tax features, application size etc.**

3.2. Clause 1.1 of Annexure-XXIA of the NCS Master circular is hereby modified as follows

1. Roles and obligations:

1.1. The entity has appointed a Compliance officer as per SEBI (Stock Brokers) Regulations, 2026².

4. All other provisions of the NCS Master Circular shall remain unchanged.
5. The circular shall come into force with immediate effect.
6. The Stock Exchanges are directed to:
- take necessary steps and put in place necessary systems for the implementation of the above;
 - make necessary amendments to the relevant bye-laws, rules and regulations, wherever applicable, for the implementation of the above; and
 - bring the provisions of this circular to the notice of the Stock Brokers and also disseminate the same on their website
7. The Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 55 (1) of the SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021 to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
8. This Circular is available at www.sebi.gov.in under the link "Legal → Circulars".

Yours faithfully,

XXXXXX

² Existing provision reads as: *1.1. The entity has appointed a Company Secretary as a compliance officer.*