

Schedule II
Fit and Proper requirements
[Regulation 4(1)(d)]

1. This schedule sets out the fit and proper criteria applicable to all relevant persons. The Authority expects a relevant person to be competent, honest, to have integrity and to be of sound financial standing.
2. An ETP Operator shall establish effective systems and controls to ensure that all the relevant persons meet the 'fit and proper' criteria.
3. An ETP Operator must carry out 'fit and proper' evaluation, in the format specified in the annex, to this schedule of all relevant persons, both at the time of their appointment and at reasonably regular frequency thereafter.
4. A relevant person shall be deemed to be a fit and proper person if, based on the evaluation undertaken under 3 or any other information available with it, an ETP Operator is satisfied that :-
 - (a) such person has a record of fairness and integrity, including but not limited to:
 - (i) financial integrity;
 - (ii) good reputation and character; and
 - (iii) honesty.
 - (b) such person has not incurred any of the following disqualifications –
 - (i) the person has been convicted by a court for any offence involving moral turpitude or any economic offence or any offence against securities laws;
 - (ii) a recovery proceeding has been initiated against the person by a financial regulatory authority and is pending;
 - (iii) an order for winding up has been passed against the person for malfeasance;
 - (iv) the person has not been declared an undischarged insolvent
 - (v) an order, restraining, prohibiting or debarring the person from accessing, providing or dealing in financial products or financial services, has been passed by any regulatory authority, and a period

of three years from the date of the expiry of the period specified in the order has not elapsed;

(vi) any other order against the person has been passed by the Authority or any other regulatory authority, and a period of three years from the date of the order has not elapsed;

(vii) the person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force;

(viii) the person is financially not sound or has been categorised as a wilful defaulter;

(ix) the person has been declared a fugitive economic offender; or

(x) any other disqualification as may be specified by the Authority

Annex to Schedule II

Sr. No.	Particulars
1.	<p>Whether any of the functionaries or any of the entities associated with⁹ the functionary has been refused a Registration/ Authorization/ License by the Authority or any other regulatory authority or their Registration/ Authorization/ License has been suspended at any time prior to this application.</p> <p>(If Yes, provide details. If No, enclose a declaration to that effect).</p> <p><i>(for this Section, a person is said to be 'associated with' an entity if he/she is/ was a functionary of the entity)</i></p>
2.	<p>Whether the functionary or any of the companies/ entities in which the functionary is/ was associated with, is in default or have defaulted in the past in respect of credit facilities obtained from any entity or bank?</p> <p><i>(If yes, please furnish information about the default and the name of the lending institution)</i></p>

3.	Whether any of the functionaries have been disqualified to act as promoter/ director/ key managerial personnel under any law in any jurisdiction where the applicant entity or the group companies of the applicant entity are operating? If yes, please furnish details.
4.	Name/s of the companies, firms, partnership firms, in which any of the functionaries hold substantial interest.
5.	Whether the Applicant/Group ⁴ or any of the functionaries are/ were undergoing/ involved in any investigation/ disciplinary action/ legal or regulatory violations/ criminal case by any law enforcement/ regulatory agencies? If yes, please furnish details.
6.	Whether any order has been passed by any bankruptcy/ resolution authority against any company/ entity with which any of the functionaries are/ were associated ⁹ ? If yes, please furnish details.
7.	Whether any of the functionaries have been convicted by a court for any offence involving moral turpitude or any economic offence or any offence against securities laws?

	If yes, please furnish details.
8.	Whether a recovery proceeding has been initiated against any of the functionaries by a financial regulatory authority and is pending? If yes, please furnish details.
9.	Whether an order for winding up has been passed against any of the functionaries for malfeasance? If yes, please furnish details.
10.	Whether an order restraining, prohibiting or debarring any of the functionaries from accessing or dealing in financial products or financial services, has been passed by any regulatory authority/ courts, and a period of five years from the date of the expiry of the period specified in the order has not elapsed? If yes, please furnish details.

Comparative Analysis: Draft IFSCA ETP Regulations (2026) vs MAS Organised Markets Regulations (2018) vs SEC Regulation ATS (USA)

Criteria	IFSCA Draft ETP Regulations, 2026	Singapore SFR (Organised Markets) 2018	U.S. SEC Regulation ATS
Definitions / Perimeter	Electronic system located in IFSC through which offers to exchange/sale /purchase of eligible instruments are made; Authority specifies Eligible Instruments.	Organised markets regime covers Approved Exchanges (AEs) and Recognised Market Operators (RMOs); definitions and criteria in SFR 2018.	ATS: any organization/system providing marketplace functions but not setting/disciplining conduct beyond trading; may operate under exchange registration exemption if it complies with Reg ATS; separate Rule 304 regime for NMS Stock ATSS (Form ATS-N).
Authorisation / Registration route	Requires prior authorisation as ETP Operator; IFSC-incorporated company or branch of entity authorised in eligible jurisdictions.	Operator must be approved as AE or recognised as RMO under SFA/SFR; recognition criteria in Part 2/Part 4.	Operator registers as a broker-dealer and files Form ATS before commencing operations; for NMS Stock ATSS, must file public Form ATS-N; SEC may declare Form ATS-N ineffective and can suspend/revoke exemption.
Fit & Proper and Governance	Fit & proper criteria for directors/KMP/controllers (Schedule II); ability to employ enough persons having adequate professional and other relevant experience to	Approval of chair/CEO/directors/key persons; linkage to MAS Guidelines on Fit & Proper; notifications when not fit & proper.	Broker-dealer supervision and compliance obligations apply; confidentiality safeguards and written procedures for handling subscriber trading information

	the satisfaction of the Authority.		mandated for NMS Stock ATSS.
Financial resources	Minimum net worth USD 250,000 (or higher as prescribed); annual audited certificate.	No single fixed number for RMOs in SFR text; MAS may impose conditions; AEs have liquidity/solvency/capital-plan reporting.	No fixed capital in Reg ATS itself beyond broker-dealer net capital rules; reporting obligations via Forms ATS/ATS-R and, for NMS Stock ATSS, Form ATS-N disclosures.
Location of systems / data	Trading system must be physically located in IFSC; data retained minimum 8 years; controlled access; sharing on surrender/revocation.	Transmission/storage and confidentiality obligations; MAS can impose conditions; no explicit local-system location mandate in SFR 2018.	Reg ATS focuses on system capacity, integrity, and security (incl. Reg SCI for certain ATSS); no data-centre location mandate, but stringent systems controls and incident obligations where SCI applies.
Access / Membership	Objective, fair, transparent membership criteria; due diligence; unique IDs (LEI/PAN).	Participant supervision obligations (e.g., MAS Notice SFA 02-N02); fair, orderly and transparent access.	Rule 301(b)(5) 'Fair Access Rule': ATSS above volume thresholds must establish written access standards and cannot unreasonably deny access; broader anti-discrimination obligations.
Products / Listing	Only Authority-authorized Eligible Instruments, as permitted in authorisation certificate.	Product notification/self-certification regime for AEs/RMOs (where applicable) under MAS notices.	Covers securities as defined; specialized public disclosure for NMS Stock ATSS via Form ATS-N; proposals/updates extend to Government Securities ATSS

<p>Rules / Rule changes</p>	<p>Operating Rules must be legally binding; material changes require prior IFSCA approval; systems to enforce member compliance.</p>	<p>Content of rules set in SFR 2018; amendments subject to MAS approval/notification depending on rule type.</p>	<p>ATS operates under broker-dealer procedures; significant changes disclosed via amended Forms ATS/ATS-N; SEC review process for NMS Stock ATS filings with potential to declare ineffective.</p>
<p>Risk management / Market integrity</p>	<p>Pre-trade controls (price/size), error-trade management, resilient/capacity-adequate systems, real-time surveillance and market-abuse reporting.</p>	<p>BCP requirements; participant supervision and market conduct rules.</p>	<p>Systems capacity/integrity/security requirements in Rule 301(b)(6)-(10) and Reg SCI where applicable; confidentiality safeguards for subscriber data; fair access; reporting to SEC of system changes and volume data (ATS-R).</p>
<p>Clearing and settlement</p>	<p>If enabling clearing/settlement, must ensure satisfactory arrangements and inform members; bilateral settlement permitted.</p>	<p>Clearing addressed through exchange/RMO rules and SFA oversight.</p>	<p>Clearing handled via broker-dealer arrangements/NSCC or bilateral depending on product; Reg ATS does not mandate a central clearer but requires disclosures and compliance with applicable rules.</p>
<p>BCP/DR & Cybersecurity</p>	<p>Mandatory BCP/DR site; annual IT/IS audit incl. VAPT by CERT-In empanelled auditors; cyber-resilience framework per IFSCA.</p>	<p>BCP obligations; cybersecurity via SFR and MAS Technology Risk Management and relevant notices; audits as required by MAS.</p>	<p>Applies to certain large ATs (SCI ATs) imposing incident reporting, testing, BCP, and controls; other ATs must ensure capacity, integrity, and security under Rule 301(b).</p>

Data retention / reporting	Maintain ETP data for 8 years; additional 3 years post-investigation; periodic returns and annual financials.	Periodic reporting/notifications to MAS; confidentiality exceptions; information provision powers.	Form ATS (initial/amend/cessation), quarterly Form ATS-R transaction reporting; public Form ATS-N for NMS Stock ATSs; SEC maintains public ATS and ATS-N lists.
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