

SEBI approves changes in framework for registration & listing of NPOs on Social Stock Exchange

Relevant provisions	Existing requirement	SEBI approval	Rationale
Reg 292N(2) of ICDR Regs	Minimum issue size of ZCZPIs shall be Rs. 1 crore	Reduction in minimum issue size to Rs. 50 lacs.	For ease of fundraising at the initial stage
Reg 292N(3) of ICDR Regs	Minimum application size for investment in ZCZPIs shall be Rs. 2 lacs.	Reduction in minimum application size to Rs. 10,000.	To enable wider participation of subscribers including retail investors.
SSE Framework (Circular dated 22nd Sep, 2022)	NPO is required to hold valid 80G registration under Income Tax Act, 1961 (IT Act) for regn with SSE	For NPOs registered u/s 10(23C)/ (46) of IT Act, section 80G regn. not mandatory	NGOs registered under section 10(23C)/ (46) are established or largely financed by the Govt and may not have regn. under section 80G
SSE Framework	Details of past social impact in the format of Annual Impact Report	Past impact may be disclosed in the format as per the past practice of NPO.	For facilitation of faster listing
Reg 91E(2) of LODR Regs	Annual impact report of NPO to be audited by Social Auditor	To be substituted with the term “Social Impact Assessor”	To provide some level of comfort to NPOs and convey a positive approach towards social sector

Other change proposed in SEBI Consultation Paper that has not been approved			
SSE Framework	NPO should not have received any notice or ongoing scrutiny by IT.	NPO having any notice or ongoing scrutiny under IT may be permitted subject to – <ul style="list-style-type: none"> Disclosure of pending notice/ ongoing scrutiny at the time of making application for regn Fines or penalties if imposed shall be disclosed as paid or appealed within 7 days 	In order to align the same with the existing requirement for fund raising through IPO by companies

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Our other resources on ESG and sustainability can be accessed [here](#)