**FAQ’s on Social Enterprise and Social Stock Exchange-A Comprehensive Overview**

These FAQ’s provides detailed information about Social Stock Exchange and Social Enterprises for easy understanding of the readers. It covers the various aspects pertaining to the Social enterprises (Not-for-Profit Organization or a For Profit Social Enterprise) for easy reference for Chartered Accountants both in practice & employment and all other stakeholder of the Social enterprises, Social Impact Assessors for the understanding the new concept of Social Stock Exchange, Social enterprises etc.

The FAQs are divided into following heads:

1. FAQs on Social Stock Exchange
2. FAQs on Social Enterprises
3. FAQs on Registration & Listing of Social Enterprises on Social Stock exchange
4. FAQs on Zero Coupon Zero Principal (ZCZP) Instruments
5. FAQs on Social Auditor/Social Impact Assessor
6. **FAQs on Social Stock Exchange**
7. **What is Social Stock Exchange?**

The **Finance Minister Mrs. Nirmala Sitharaman** in the Budget speech of **2019-2020** for the first time proposed the concept of a **Social Stock Exchange** which will be *“under the regulatory ambit of Securities and Exchange Board of India (SEBI) for listing social enterprises and voluntary organizations working for the realization of a social welfare objective so that they can raise capital as equity, debt or as units like a mutual fund.”*

Subsequently, the Securities and Exchange Board of India (SEBI) vide its notification dated 25th July 2022 amended the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) and SEBI (Alternative Investment Funds) Regulations, 2012 (“AIF Regulations”) to provide a broad framework for Social Stock Exchange.

In terms of SEBI ICDR Regulations, **“Social Stock Exchange”** means a separate segment of a recognized stock exchange having nationwide trading terminals permitted to register especially Not-for-Profit Organizations (NPOs) and to list their securities in accordance with the provisions of the SEBI regulations.

SSE established as a separate segment within the existing stock exchange, serves as a platform where securities or other funding structures are listed. It follows procedures for funding selected entities that generate and report measurable social impact. The concept of Social Stock Exchange is built on the premise that private sector and non-profit sector can play a significant role in national development outcomes if more funding is made available to them.

1. **What are the Benefits of Registration/ Listing on Social Stock Exchange?**

* **Improved market access** – SSE will facilitate a common and a structured meeting ground between Social Enterprises and investors/donors with inbuilt regulation for providing sanctity and accountability of finances.
* **Synergy between investors and investee in social aims** - In view of flexibility of investments and capital that would be available on an SSE, the canvas of choice would be much wider allowing investors and investees with similar missions and visions to connect seamlessly
* **Performance based philanthropy** - Performance of the enterprises listed on an SSE would be monitored thus it will instil a culture of performance (Social return) driven philanthropy.
* **Minimal registration cost** – SSE saves cost for both issuer and investor/donor by charging minimal fees for registration and listing.
* **Additional avenue for Social Enterprises** - Central and State governments till date have the biggest onus of achieving sustainable development goals. SSE will provide an alternate avenue for raising funds thereby encouraging new and existing social enterprises.

1. **FAQs on Social Enterprises**
2. **Who are Social Enterprises?**

“Social Enterprise” means either a Not-for-Profit Organization or a For Profit Social Enterprise that meets the eligibility criteria specified in SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022.

For Profit Social Enterprise means a company or a body corporate operating for profit, which is a Social Enterprise for the purposes of these regulations and does not include a company incorporated under section 8 of the Companies Act, 2013 (18 of 2013).

Not for Profit Organization means a Social Enterprise which is any of the following entities:

* a charitable trust registered under the Indian Trusts Act, 1882.
* a charitable trust registered under the public trust statue of the relevant state.
* a charitable society registered under the Societies Registration Act, 1860.
* a company incorporated under section 8 of the Companies Act, 2013.
* any other entity as may be specified by the Board (SEBI).

1. **What is the eligibility to become Social Enterprise?**

To be identified as a Social Enterprise, a Not-for-Profit Organization or a For Profit Social Enterprise shall establish primacy of its social intent. To establish the primacy of its social intent, a Social Enterprise shall meet the following eligibility criteria: -

(a) The Social Enterprise shall be indulged in at least one of the following **sixteen thematic areas**:

1. eradicating hunger, poverty, malnutrition and inequality;
2. promoting health care including mental healthcare, sanitation and making available safe drinking water;
3. promoting education, employability and livelihoods;
4. promoting gender equality, empowerment of women and LGBTQIA+ communities;
5. ensuring environmental sustainability, addressing climate change including mitigation and adaptation, forest and wildlife conservation;
6. protection of national heritage, art and culture;
7. training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
8. supporting incubators of Social Enterprises;
9. supporting other platforms that strengthen the non-profit ecosystem in fundraising and capacity building;
10. promoting livelihoods for rural and urban poor including enhancing income of small and marginal farmers and workers in the non-farm sector;
11. slum area development, affordable housing and other interventions to build sustainable and resilient cities;
12. disaster management, including relief, rehabilitation and reconstruction activities;
13. promotion of financial inclusion;
14. facilitating access to land and property assets for disadvantaged communities;
15. bridging the digital divide in internet and mobile phone access, addressing issues of misinformation and data protection;
16. promoting welfare of migrants and displaced persons;
17. any other area as identified by the Board or Government of India from time to time.

(b) The Social Enterprise shall target underserved or less privileged population segments or regions recording lower performance in the development priorities of central or state governments.

(c) the Social Enterprise shall have at least 67% of its activities, qualifying as eligible activities to the target population, to be established through one or more of the following: -

(i) at least 67% of the immediately preceding 3-year average of revenues comes from providing eligible activities to members of the target population;

(ii) at least 67% of the immediately preceding 3-year average of expenditure has been incurred for providing eligible activities to members of the target population;

(iii) members of the target population to whom the eligible activities have been provided constitute at least 67% of the immediately preceding 3-year average of the total customer base and/or total number of beneficiaries.

Corporate foundations, political or religious organizations or activities, professional or trade associations, infrastructure, and housing companies, except affordable housing, shall not be eligible to be identified as a Social Enterprise.

1. **Will I qualify for registration if 67% of my activities last year were in one or more items from the list of eligible activities, by my immediately preceding 3-year average is below 67% ?**

No, you are not eligible to apply for registration or listing on the SSE till the 3-year average of your activities is not greater than or equal to 67% of your total activities.

1. **Will an NPO promoted by the promoters of a body corporate be eligible to apply?**

If the NPO is dependent on the corporate for more than 50% of its funding, then it shall not be eligible to apply.

1. **What are the minimum reporting standards mandated for Social Enterprises?**

The minimum reporting standards have been created by benchmarking elements from various national and international frameworks of measurement that have been developed and are being deployed. The main elements of the reporting standard are:

* Section 1- **Strategic Intent and Goal Setting**

(a) The social problem to be solved

(b) The target segment to be served

(c) The approach to solve the problem

* Section 2- **Social Impact Scorecard**

(a) Extent of target segment served

(b) Intensity of impact on median individual

(c) Dimensions of income, social equity and diversity

* Section 3- **General information**

(a) Members of governing body

(b) Demonstration of prior funding history

(c) Financials, Registrations or licenses

1. **FAQs on Registration & Listing of Social Enterprises on Social Stock exchange**
2. **Who can be registered on Social Stock exchange?**

Two recent developments- (1) the Notification F. No. SEBI/LAD-NRO/GN/2022/90 dated July 25, 2022, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022 and (2) the SEBI circular SEBI/HO/CFD/PoD- 1/P/CIR/2022/120 dated September 19, 2022, Framework on Social Stock Exchange list out eligibility criterion and disclosure requirements for entities to be registered as NPOs. Some of the important ones are –

1. Entities must be registered in India as one of the below:

• a charitable trust registered under the public trust statue of the relevant state.

• a charitable trust registered under the Societies Registration Act, 1860.

• a charitable trust registered under the Indian Trusts Act, 1882.

• a company incorporated under section 8 of the Companies Act, 2013.

2. Registration certificate valid at least for next 12 months at the time of seeking registration

with SSE.

3. NPO must have been registered for at least 3 years.

4. Annual Spending in the past financial year must be at least 50 lakhs.

5. Funding in the past financial year must be at least 10 lakhs.

1. **Is this meant for Indian entities only or international NPOs can also get registered?**

Only Indian entities can register in Social Stock Exchange.

1. **What proof is needed to demonstrate that the NPO has been in operation for 3 years?**

Documents such as Certificate of Incorporation and audited financial for three years is required to demonstrate that the NPO has been in operation for 3 years

1. **Is it mandatory for a Not-for-profit organization to register in order to raise funds through Social Stock Exchange?**

Yes, it is mandatory for a Not-for-profit organization to register with Social Stock Exchange before it raises funds through Social Stock Exchange.

However, a Not-for-profit organization may continue to raise funds through any other means, as permissible under the law, whether it is registered or not with Social Stock Exchange.

1. **Is it mandatory for the Not-for-Profit Organizations registered with Social Stock Exchange to seek listing?**

It is not mandatory for Not-for-Profit Organizations which are registered with Social Stock Exchange under regulation 292F of the ICDR Regulations to seek listing, however it shall mandatorily seek registration with a Social Stock Exchange before it raises funds through a Social Stock Exchange.

A Not-for-Profit Organization may choose to register on a Social Stock Exchange and not raise funds through it. It can also continue to raise funds through any other means.

1. **Is it mandatory to register for profit social enterprises in order to raise funds through Social Stock Exchange?**

No, a for profit social enterprise need not register with Social Stock Exchange before it raises funds through SSE. However, a for profit social enterprise shall comply with all provisions of ICDR Regulations, AIF Regulations [as applicable for its fund-raising modes] before it can raise funds through SSE.

1. **Who can be listed on Social Stock Exchange?**

Social Enterprises (Not-for-Profit Organization or a For Profit Social Enterprise) that meets the eligibility criteria mentioned in SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022 can get themselves listed on Social Stock Exchange.

1. **Which Social Enterprises are not eligible to get registered or raise funds through Social Stock Exchange/Stock Exchange?**

A Social Enterprise shall not be eligible to register or raise funds through Social Stock Exchange/Stock Exchange if:

* any of its promoters, promoter group or directors or selling shareholders ( in case of for profit social enterprise) or trustees are debarred from accessing the securities market by SEBI
* if any of the promoters or directors or trustees of the Social Enterprise is a promoter or director of any other company or Social Enterprise which has been debarred from accessing the securities market by SEBI;
* if the Social Enterprise or any of its promoters or directors or trustees is a willful defaulter or a fraudulent borrower;
* If any of its promoters or directors or trustees is a fugitive economic offender
* if the Social Enterprise or any of its promoters or directors or trustees has been debarred from carrying out its activities or raising funds by the Ministry of Home Affairs or any other ministry of the Central Government or State Government or Charitable Commissioner or any other statutory body.

1. **Can an NPO that is not registered on the NGO Darpan portal register on the Social Stock Exchange?**

No, the registration of NPO on the NGO Darpan portal is mandatorily required for registering it on Social Stock Exchange

1. **Who will certify the documents that are needed to be submitted for registration of an NPO?**

The documents are required to be certified by CEO/Managing Trustee/Statutory Auditor/ any two authorized signatories from governing body.

1. **What are the requirements of registration of Social Enterprise on Social Stock Exchange?**

Kindly refer the following link for registration requirements/ checklist:

**NSE**- <https://www.nseindia.com/list-registration>

**BSE-** https://www.bsesocialstockexchange.com/downloads/BSE\_SSE\_Registration\_Checklist.pdf

1. **What are the requirements of listing of Social Enterprise on Social Stock Exchange?**

Kindly refer the following link for listing requirements/ checklist:

**NSE-** https://www.nseindia.com/list-listing

**BSE-** https://www.bsesocialstockexchange.com/static/eligibility.aspx

1. **Which are the instruments available for raising funds on SSE?**

A Not-for-Profit Organization may raise funds on a Social Stock Exchange (SSE) through:

* issuance of **Zero Coupon Zero Principal (ZCZP) Instruments** to institutional investors and/or non-institutional investors as per SEBI (ICDR) Regulations, 2018
* donations through Mutual Fund schemes as specified by SEBI
* any other means as specified by SEBI from time to time

A For Profit Social Enterprise may raise funds through:

* issuance of equity shares on the main board, SME platform or Innovators Growth Platform or equity shares issued to an Alternative Investment Fund including a Social Impact Fund;
* issuance of debt securities;
* any other means as specified by SEBI from time to time

1. **What structured finance product is available for Not-for-Profit Organizations through social stock exchange mechanism?**

DIBs is one form of the structured finance product available on SSE

Development Impact Bonds-These are structured finance products where upon completion of a project that meets pre-agreed social metrics at pre agreed rates, the service provider of the project receives grants from the donor, who is called as the “**outcome funders**”. The basic principle of a DIB structure is that a grant is made to an NPO after it delivers on preagreed social metrics at pre-agreed costs/ rates. The donor who makes the grant when the social metrics are achieved is termed as “Outcome Funder”. Given that the outcome funder makes the payment on a post facto basis, the NPO needs to raise funds to finance its operations. Such a funder is termed as **‘’Risk Funder’’**. A risk funder not only enables financing of operations on a pre-payment basis, but also undertakes the risk of non-delivery of social metrics by the NPO. To compensate for this risk, a Risk Funder typically earns a small return if the social metrics are delivered.

1. **Since, Development Impact Bonds Are Pay-for-Success Funding Structures, will NPOs be allowed to issue them?**

Yes, NPOs will be allowed to issue Development Impact Bonds.

1. **Can a For-Profit Organization issue Equity Shares to an Alternative Investment Fund?**

Yes. An unlisted For-Profit Organization can issue Equity Shares to an Alternate Investment Fund.

1. **Whether retail investors can invest in securities issued by Social Enterprises in the Social Stock Exchange Platform?**

Retail investors are permitted to invest only in securities offered by For-profit social enterprise under the Main Board. In all other cases, only institutional investors and noninstitutional investors can invest in securities issued by Social Enterprises. As per SEBI (Issue of capital and disclosure requirements) Regulations, 2018, a retail individual investor is one who applies or bids for specified securities for a value of not more than two lakhs rupees and non-institutional investor is separately defined as an investor other than a retail individual investor and qualified institutional buyer.

1. **If an NPO registers on the SSE, will they have to follow all the compliances even if they do not list any instruments on it?**

NPO is required to comply with all the applicable SEBI (LODR) Regulations, 2015 and circular thereof.

1. **If any Corporate is promoting one NPO through formation of a Formal Organization and then wants to register the NPO on the SSE, is it permitted?**

If majority (>50%) of the funding for the NPO is coming from the said corporate or the corporate has a controlling interest in the NPO, then it is not allowed.

1. **Will it be possible for an NPO to renew the registration after a year if they have not raised any money in the previous year through SSE?**

Yes, NPO may renew the registration after a year if they have not raised any money in the previous year through SSE. This is subject to them having completed all disclosures as required.

1. **Suppose, we get registered as a SE, and while moving forward if at any point we fail to follow any guidelines. What would be the potential repercussions?**

Like other listed entities in case of failure to comply with any of the provisions or guidelines SEBI reserves the power to initiate enforcement actions such as issuance of administrative warning, imposing penalties under Chapter VIA of the SEBI Act, or action u/s 11 of the SEBI Act for debarment and/ or penalty.

1. **Whether NGO/ NPO is required to obtain FCRA registration before raising funds from Foreign Institutional Investor or Individual Non-Resident Donors?**

Foreign Investors are currently not allowed to invest through the SSE

1. **Will foreign investors like FII's, FPI's or NRI investors be allowed to invest in NPOs fund raising?**

Foreign investors like FII's, FPI's or NRI investors, will not be allowed to invest in NPOs fund raising.

1. **Are instruments listed by Social Enterprises available for trading in secondary market?**

The instruments issued by Not-for-Profit Organizations are not available for trading in secondary market. Whereas the instruments issued by For-Profit Organizations are available for trading in secondary market on respective platforms of the Stock Exchanges, on which they are listed.

1. **Is there any Lock-in or minimum period between registration of any NPO and raising of funds from the market?**

No, there is no Lock-in or minimum period between registration of any NPO and raising of funds from the market.

1. **Is a merchant banker required to be appointed for preparing the draft fund – raising document?**

Not required.

1. **Is there a validity period for the observations issued by SSE on the draft fund-raising document?**

A period of 6 months is the validity period for the observations issued by SSE on the draft fund-raising document.

1. **Please clarify whether the Funds raised by the NPO are in the form of a grant or a loan?**

Funds raised by the NPO shall be in the form of a grant.

1. **How will the foreign funding and local funding be managed in a single instrument, or will there be separate instruments for NRI’s/Foreign investors?**

Foreign funds are currently not permitted.

1. **Once a proposal is put up for a project by an NPO, how will the fundraising happen? The investors will look into the proposals and get in touch with the NPO or the NPO will have to proactively seek support?**

The SSE will not be playing a role in marketing for fund raising.

1. **Will the investors be treated as donors? How will the funds received be accounted for?**

Yes. Investor will be treated as donors as per normal accounting principles.

1. **Whether a Registered NPO raised fund outside Social Stock Exchange is required to disclose the details of such funds as a part of Annual Disclosure under LODR?**

Yes, Registered NPO raised fund outside Social Stock Exchange is required to disclose the details of such funds as a part of Annual Disclosure under LODR

1. **What is the process for corporates to register for extending funding support?**

Corporates may follow the normal investor registration process.

1. **FAQs on Zero Coupon Zero Principal (ZCZP) Instruments**

**What is Zero Coupon Zero Principal (ZCZP) Instruments?**

ZCZP Instruments shall be issued only by a NPO registered on a SSE and shall have a specific tenure. These instruments shall be issued without any coupon and no principal amount shall be payable on its maturity.

Further, it can be issued only for a specified project or activity which falls under the list of eligible activities (eligible activities specified under regulation 292E of the regulations) and for specified project duration. ZCZP do not offer fixed interest/repayment returns but promises a social return to the funder.

**Which Not for Profit Organizations are eligible to issue Zero Coupon Zero Principal Instruments?**

Following conditions need to be fulfilled by Not-for-Profit Organizations to issue Zero Coupon Zero Principal Instruments:

* The Not-for-Profit Organization must be registered with Social Stock Exchange, and
* Zero Coupon Zero Principal Instruments must have specific tenure and can only be issued for a specific project or activity to be completed within a duration specified in the fund-raising document, and
* The specific project or activity for which the Zero Coupon Zero Principle Instruments are being issued must fall under the list of eligible activities specified under regulation 292E of SEBI (ICDR) Regulations, 2018.

**What is the eligibility and conditions for issuance of ZCZP instrument?**

* ZCZP Instruments shall be issued in dematerialized form only.
* The minimum issue size shall be \*Rs. 50 Lakhs
* The minimum application size shall be \*Rs. 10,000
* The minimum subscription required to be achieved shall be 75% of the funds proposed to be raised through issuance of ZCZP Instruments.
* In case of any under subscription, the NPO shall, in the fund raising document, provide details on the following:
  + manner of raising balance capital in case of such under subscription between 75% and 100%;
  + possible impact on achieving the social objective(s) in case such under subscription is not arranged provided that the funds shall be refunded in case the subscription is less than 75% of the issue size
* The Social Stock Exchange shall maintain the details of the allotment pursuant to issuance of ZCZP Instruments by a NPO.

**\*(***In terms of decision taken in 203rd Board meeting of SEBI, minimum issue size and minimum application size altered. Kindly refer* [*https://www.sebi.gov.in/media-and-notifications/press-releases/nov-2023/sebi-board-meeting\_79337.html*](https://www.sebi.gov.in/media-and-notifications/press-releases/nov-2023/sebi-board-meeting_79337.html)*. However, necessary amendment in SEBI ICDR Regulations is awaited.)*

**What is the procedure for public issuance of ZCZP Instruments by NPO?**

1. NPO shall file the draft fund raising document with SSE where it is registered along with the fees as specified by the SSE and an application seeking in-principle approval for listing of its ZCZP Instruments on the SSE:

Provided that SSE shall specify the details to be incorporated in the fund raising document

Provided further that the SEBI shall specify the minimum disclosure requirements in respect of the fund raising document from time to time.

1. The draft fund raising document shall be made available on the website of the SSE and the NPO for a period of at least 21 days for public comments.
2. The SSE shall provide its observation on the draft fund raising document to the NPO , within 30 days from the filing of the draft fund raising document or receipt of clarification, if any, sought by SSE from NPO, whichever is later.
3. The NPO shall incorporate the observations of SSE in draft fund raising document and file the final fund raising document with SSE prior to opening the issue.

**Can Not-for-Profit Organizations make private issuance of Zero Coupon Zero Principal Instruments?**

Yes. The Not-for-Profit Organization registered on a Social Stock Exchange, may also make private issuance of Zero Coupon Zero Principal Instruments to Social Impact Fund(s) registered under the applicable provisions of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations 2012.

**Whether the Private Placement of Zero Coupon Zero Principal Instruments issued to Social Impact Funds compulsorily required to be listed on Social Stock Exchange?**

Yes, Private Placement of Zero Coupon Zero Principal Instruments issued to Social Impact Funds compulsorily required to be listed on Social Stock Exchange

**Do all the funds for a ZCZP instrument project have to be raised via the SSE or some can be outside the SSE also?**

Yes, ZCZP instrument project must be raised via the SSE, or some can be outside the SSE. The prescribed regulations may be referred.

**Can a Social Enterprise terminate the listing of Zero Coupon Zero Principal Instruments from Social Stock Exchange?**

The Social Enterprise shall terminate the listing of Zero Coupon Zero Principal Instruments in following events

a) The object for which the funds were raised has been achieved and a certificate to this effect is submitted to the Social Stock Exchange, or

b) The tenure to achieve the object for which the funds were raised as provided in the fundraising document has expired.

**Whether private placement of Zero Coupon Zero Principal Instruments be made to any person other than Social Impact Funds registered under SEBI AIFs Regulations?**

Yes, private placement of Zero Coupon Zero Principal Instruments may be made to any person other than Social Impact Funds registered under SEBI AIFs Regulations

**What happens if the ZCZP issue is not fully subscribed?**

This will need to be specified in the offer document and shall be subject to the extant regulations.

**Whether Zero Coupon Zero Principal Instrument holdings are transferable?**

Trading is not permissible in ZCZP, but they can be transferred for other purposes, such as transfer to legal heirs.

**Whether Zero Coupon Zero Principal Instruments will be subject to securities transaction tax?**

No, Zero Coupon Zero Principal Instruments will not be subject to securities transaction.

**Whether a Listed NPO can raise additional funds for the same project through another ZCZP instrument?**

Yes, Listed NPO may raise additional funds for the same project through another ZCZP instrument.

**Can a listed NPO raise funds for more than one project by issuing multiple ZCZP instruments, one for each project?**

Yes, listed NPO may raise funds for more than one project by issuing multiple ZCZP instruments, one for each project

**Is termination of Zero Coupon Zero Principal Instruments equivalent to delisting?**

Yes, termination of Zero Coupon Zero Principal Instruments equivalent to delisting.

1. **FAQs on Social Auditor/Social Impact Assessor**

**Who is a Social Auditor?**

In terms of SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022“**Social Auditor**” means an individual registered with a self-regulatory organization under the Institute of Chartered Accountants of India or such other agency, as may be specified by the Board (SEBI) who has qualified a certification program conducted by National Institute of Securities Market and holds a valid certificate.

In terms of decision taken in 203rd Board meeting of SEBI, nomenclature of Social Auditor is changed to Social Impact Assessor. Kindly refer <https://www.sebi.gov.in/media-and-notifications/press-releases/nov-2023/sebi-board-meeting_79337.html>. However, necessary amendment in SEBI ICDR Regulations is awaited.

**What is the eligibility to become Social Auditor?**

The following persons are eligible to become social auditors provided they hold a valid certificate from National Institute of Securities Market related to "NISM Series XXIII: Social Auditors Certification Examination”

* Chartered Accountant; or
* Company Secretary; or
* Cost and Management Accountants; or
* Post-graduates from universities recognized by the University Grants Commission (UGC) with a minimum of 3 years of experience in the development sector; or
* Graduates from universities recognized by the UGC with a minimum of 6 years of experience in the development sector;
* or any other persons with suitable accreditations with a minimum of 6 years of experience in the development sector.

**What is the Role of Institute of Social Auditors of India?**

The Institute of Social Auditors of India (ISAI), a Company limited by shares, u/s 8 of the Companies Act, 2013 has been incorporated under the aegis of The Institute of Chartered Accountants of India and as per the SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022 to carry out the functions of a Self-Regulatory Organization.

ISAI will enrol, regulate and develop the Social Auditors in an independent and transparent manner. ISAI will also work on capacity building of the social auditors through continuous professional education and training.

**How to register as Social Auditor?**

The link to register as Social Auditor is <http://registration.isai.ca.in/>

**What is a Social Audit Firm?**

Social Audit Firm is an entity which has employed Social Auditors and has a track record of minimum three years for conducting social impact assessment.

**Suggested references to study**

1. [Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022](https://www.sebi.gov.in/legal/regulations/jul-2022/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-third-amendment-regulations-2022_61171.html)
2. [Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2022](https://www.sebi.gov.in/legal/regulations/jul-2022/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-fifth-amendment-regulations-2022_61169.html)
3. [Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2022](https://www.sebi.gov.in/legal/regulations/jul-2022/securities-and-exchange-board-of-india-alternative-investment-funds-third-amendment-regulations-2022_61156.html)
4. <https://www.sebi.gov.in/media-and-notifications/press-releases/nov-2023/sebi-board-meeting_79337.html>.
5. Compendium of Social Audit Standards <https://resource.cdn.icai.org/74134srsb60035.pdf>
6. A Primer on the Concept of Social Stock Exchange <https://resource.cdn.icai.org/72981srsb58814.pdf>
7. Framework for Social Audit Standards <https://resource.cdn.icai.org/72912icai-sas-new.pdf>
8. FAQs of NSE SSE: <https://nsearchives.nseindia.com/web/sites/default/files/inline-files/English%20Social%20Stock%20Exchange%20FAQs.pdf>
9. FAQs of BSE SSE https://www.bsesocialstockexchange.com/downloads/English\_Social\_Stock\_Exchange\_FAQs.pdf