

**PRESS RELEASE**

## **ASIFMA Launches New Report on India's Equity Markets**

***Comprehensive new report provides industry insights on how India can shape its equity markets to help support and accelerate economic growth***

**Mumbai, 22 February 2018** – [ASIFMA](#), the financial industry's leading regional trade association, today released its report "[Assessing India's Equity Markets: Reform, Perform and Transform](#)". The new report is a comprehensive analysis providing recommendations on the development of India's equity markets which are vital to the overall economic growth of the country. It was released in conjunction with ASIFMA's first-ever "Assessing India's Capital Markets" conference in Mumbai, a forum designed to facilitate dialogue around the important issues impacting the accessibility and development of India's capital markets. The paper was developed with the help of member firms Cyril Amarchand Mangaldas, EY, JurisCorp, and PwC.

"Through this report, ASIFMA aims to shine a light on the importance of developing India's equity markets: they are a vital part of the capital markets, delivering the share capital that every company needs at the core of its balance sheet," explained Lyndon Chao, Managing Director and Head of Equities at ASIFMA. "India needs healthy equity markets to provide Indian companies with long-term capital for growth, leading to higher levels of economic activity, greater wealth and more jobs. Equity capital is particularly important for funding companies in high-growth sectors such as technology, communications and energy."

"While India has historically been a challenging destination for foreign investors, the administration of current Prime Minister Modi has launched a raft of reforms to encourage investment," continued Mr Chao. "Despite some important moves in the right direction, we believe that more can be done to ease access for foreign institutional investors in India's equity markets and to improve the equity markets overall."

ASIFMA's report examines India's relative position compared to other capital markets in Asia, looks at how India's markets are currently accessed and provides an overview of the tax framework that applies to foreign investors in the Indian equity markets. Most importantly, the paper outlines the areas in which Indian equity markets could benefit from structural changes and makes recommendations for its development.

The report includes key measures to attract foreign investors to invest directly in the Indian equity markets, such as:

- Further ease the FPI registration process, including smoothening out the current KYC challenges
- Adopt algo friendly regulations in line with global practice
- Extend the block trading window and price band
- Allow institutional friendly Stock Borrowing and Lending both for better hedging as well as to attract active investors and alpha generation

# DEVELOPING ASIAN CAPITAL MARKETS

- Develop an ID market which does not preclude efficient and effective omnibus trading at the fund manager level
- Adopt tax regulations and compliance framework which are fair, transparent and effective, but not onerous
- Implement operational guidelines and clarify any pending tax matters with respect to the issuance of unsponsored Depositary Receipts
- Facilitate increased regulatory transparency and consistency through a more open consultation process

“Although there have been some significant developments, there’s still much yet to be done: India needs to further reform its financial market regulations and policies, reduce investment frictions and improve ease of access to encourage more foreign investors to register as FPIs and directly invest onshore. We hope that our report can contribute to the necessary discussion and development that needs to take place in order to make this happen,” concluded Mr Chao.

**Link to report:** Please access [here](#)

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**About ASIFMA**

[ASIFMA](#) is an independent, regional trade association with over 100 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative and competitive Asian capital markets that are necessary to support the region’s economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the [GFMA](#) alliance with [SIFMA](#) in the United States and [AFME](#) in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region. More information about ASIFMA can be found at: [www.asifma.org](http://www.asifma.org).