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## **4. Social Stock Exchange**

### **Why in News?**

- Recently, National Stock Exchange of India received final approval from SEBI to set up the Social Stock Exchange (SSE).

### **Highlights**

- The SSE would function as a separate segment within the existing stock exchange and help social enterprises raise funds from the public through its mechanism.
- It would serve as a medium for enterprises to seek finance for their social initiatives, acquire visibility and provide increased transparency about fund mobilisation and utilisation.
- Retail investors can only invest in securities offered by for-profit social enterprises (SEs) under the Main Board.
- In all other cases, only institutional investors and non-institutional investors can invest in securities issued by SEs.
- Any non-profit organisation (NPO) or for-profit social enterprise (FPSEs) that establishes the primacy of social intent would be recognised as a SE, which will make it eligible to be registered or listed on the SSE.
- 17 plausible criteria under SEBI's ICDR Regulations, 2018 include serving to eradicate hunger, poverty, malnutrition, promoting education, employability, equality, and environmental sustainability among others
- Corporate foundations, political or religious organisations, professional or trade associations, infrastructure and housing companies (except affordable housing) would not be identified as SE
- NPOs would be deemed ineligible if dependent on corporates for more than 50% of its funding.