RELEVANT EXTRACTS OF THE SEBI BOARD MEETING

The 210th meeting of the SEBI Board, held in Mumbai on 18th June 2025, focused on numerous key changes to the regulatory framework w.r.t the Social Stock Exchange (SSE) which aims at enhancing the ease of doing business for social enterprises including For-profit organizations and Not-For Profit Organizations (NPOs).

The key points approved during the meeting w.r.t. SSE:

1. **Inclusion of Legal Structures**:
    - The definition of Not-For-Profit Organizations (NPOs) will now include trusts registered under the Indian Registration Act, 1908, charitable societies registered under relevant state society registration statutes, and companies registered under Section 25 of the erstwhile Companies Act, 1956.
2. **Introduction of Social Impact Assessment Organization (SIAO)**:
    - The term "Social Impact Assessment Organization (SIAO)" replaces "Social Impact Assessment Firm" to promote a profession-agnostic approach.
    - SIAOs must be empanelled with specified Self-Regulatory Organizations (SROs) such as ICAI, ICSI, and ICMAI.
    - They are required to employ on full time basis at least two Social Impact Assessors with a minimum of three years of experience in conducting social impact assessments.
    - If a SIAO lacks a three-year track record, the social impact assessors must sign the impact assessment report.
3. **Fundraising Timeline**:
    - Social enterprises must raise funds through the Social Stock Exchange within two years of registration; otherwise, their registration will lapse.
4. **Expansion of Eligible Activities**:
    - The activities eligible for fundraising by social enterprises will be expanded to align with those listed in Schedule VII of the Companies Act (As governs CSR activities of the companies).

5. **Target Segments for Social Enterprises**:
    - SEBI may specify additional target segments for eligibility as social enterprises, focusing on underserved or less privileged populations or regions with lower performance in development priorities of central or state governments.
6. **Easing Eligibility Criteria for NPOs**:
    - The requirement for a certain percentage of activities to be in eligible categories will now apply only to for-profit social enterprises, easing the criteria for NPOs. (From an earlier requirement covering both NPOs and for-profit social enterprises)
7. **Bifurcation of Annual Disclosure Requirements**:
    - Annual disclosure requirements will be divided into financial and non-financial matters, with different timelines prescribed for each.
8. **Self-Reporting of Annual Impact Reports**:
    - NPOs will be allowed to self-report their annual impact reports for projects even if they have not raised funds through the Social Stock Exchange.

Source:https://www.sebi.gov.in/media-and-notifications/press-releases/jun-2025/sebi-board-meeting_94657.html

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