

# CREATING A TRULY "SOCIAL" STOCK EXCHANGE

---

FRAMEWORK STUDY OF SEVEN GLOBAL EXCHANGES  
AND INDIA'S PROPOSED SOCIAL STOCK EXCHANGE



# CREATING A TRULY “SOCIAL” STOCK EXCHANGE

---

Framework Study of Seven Global Exchanges  
and India’s Proposed Social Stock Exchange

# TABLE OF CONTENTS

<b>ACKNOWLEDGEMENTS</b>	<b>1</b>	H. Allow a Variety of Funders/Investors to Participate on the SSE	28
<b>EXECUTIVE SUMMARY</b>	<b>2</b>	I. Align Several Rules Regarding Section 135 of the Companies Act with the SSE	29
<b>I. INTRODUCTION</b>	<b>8</b>	J. Strengthen Tax Incentives for Donors/Investors	30
<b>II. METHODOLOGY</b>	<b>11</b>	K. Encourage and Incentivize Investors, Donors to Participate	30
<b>III. KEY FINDINGS</b>	<b>13</b>	L. Create and Monitor a Set of Enabling Intermediaries	31
A. Impetus for an SSE	13	M. Set up a “Capacity Building Fund”	31
B. Role of Regulations and Taxation Policies	13	<b>V. RECOMMENDATIONS</b>	<b>33</b>
C. Inclusion of For-Profit and Non-Profit Organisations	14	<b>VI. CONCLUSION</b>	<b>38</b>
D. Size of Organisations Listed on the SSEs	16	<b>VII. COUNTRY SPECIFIC PROFILES OF SSEs</b>	<b>39</b>
E. Distribution Across Thematic Areas	17	A. Brazil - Bolsa de Valores Socioambientais or Socio-Environmental Investment Exchange	39
F. Types of Investors	17	B. Canada – Social Venture Connexion – Invest for Impact	45
G. Types of Financing Instruments	18	C. Jamaica Social Stock Exchange	53
H. Measuring and Reporting Socio-Economic Impact	19	D. Portugal- Bolsa de Valores Sociais	59
I. Business Model and Continuity	20	E. Singapore's Impact Exchange	63
J. Capacity Building of Social Organisations	21	F. South Africa’s Social Investment Exchange	68
K. SSEs as a Catalyst for Sector Building	22	G. United Kingdom's Social Stock Exchange	73
L. Technology	23	<b>APPENDIX I: LIST OF INTERVIEWS</b>	<b>78</b>
<b>IV. INDIA'S PROPOSED SOCIAL STOCK EXCHANGE: SEBI RECOMMENDATIONS AND ANALYSIS</b>	<b>24</b>	<b>REFERENCES</b>	<b>79</b>
A. House the SSE Under an Existing Stock Exchange, Regulated by SEBI	24		
B. Allow Both For-Profits and Non-Profit Organisations to List	25		
C. No Legal Definition for Social Enterprises	26		
D. Leverage or Create Finance Instruments, Especially for Non-Profits, to Raise Capital	26		
E. Allow Pay-for-Performance Instruments	27		
F. Create a Minimum Standard for Impact and Financial Reporting	27		
G. Regulatory Changes for Non-Profits	28		

# ACKNOWLEDGEMENTS

---

Samhita is deeply grateful to our partner, the International Center for Not-For-Profit Law, for its support throughout the development of this report. The report's narrative was further shaped by insights shared by leaders from civil society and impact investment ecosystems and influencers who have driven and led social stock exchanges across the globe. We are truly appreciative to all those who took the time, amidst such a challenging year, for a conversation with us.

## Authors

Ms. Anushree Parekh

Ms. Shivina Jagtiani

Ms. Amiya Walia

## Expert Advisors

Ms. Priya Naik

Ms. Julie Hunter

# EXECUTIVE SUMMARY

---

Over the last two decades, Social Stock Exchanges (SSEs) have evolved as a potential funding mechanism for non-profit organisations and for-profit social enterprises. The SSEs instituted to date have functioned across the spectrum of impact funding, from simple grants to innovative finance to impact investment.

As India, the world's largest democracy, gears up to construct an SSE customized to the needs of the Indian organisational ecosystem, a comprehensive analysis of the experiences, structures, and learnings from SSEs across the world can aid civil society, policymakers and the private sector in their endeavour to create a more enabling environment for social organisations.

SSEs across the world have been established to direct resources and capital towards social organisations. However, their structure and design have differed depending on the maturity level of financial and philanthropic ecosystems, the participation of the corporate sector in social and environmental development, and the government's role in regulating the social sector.

This report reviews seven SSEs in Brazil, Portugal, South Africa, Jamaica, the UK, Singapore and Canada, providing general takeaways (outlined below) as well as detailed appendix analyses. Based on these findings, the report analyses the SSE recommendations proposed by India's SSE Working Group and provides some additional suggestions.

## Key Findings from SSEs Across the World

### DOMESTIC REGULATIONS AND TAXATION LAWS PLAY A KEY ROLE IN INFLUENCING SSE STRUCTURE

Some countries provide legal recognition to social enterprises to facilitate their listing and ensure that such organisations generate financial as well as socio-environmental returns. Others allow non-profits to earn revenue, in addition to receiving donations, enabling them to float debt instruments. Some countries have specific mechanisms on stock exchanges that allow unlisted securities to be traded or provide exemptions from full disclosure and sale requirements.

### MOST SSEs INCLUDE BOTH FOR-PROFIT AND NON-PROFIT ORGANISATIONS

Developed countries with mature financial and capital markets have used SSEs to strengthen impact investing spaces for revenue-earning non-profits and for-profit entities, while developing countries have tried to be more inclusive of non-profits. The SSE structure may favour organisations not necessarily based on their quality or efficiency, but on their size, ability to speak the language of the markets, or employ English-speaking talent from the private sector, in lieu of smaller, local and/or grassroots organisations. All SSEs offer a variety of capacity-building services to social organisa-

tions, ranging from basic support to meet the eligibility criteria and monitoring and reporting assistance, to customized services such as business consulting.

#### **SSEs FOCUS ON CERTAIN VISIBLE, THEMATIC AREAS**

While SSEs are generally cause-agnostic, they are likely to perpetuate funding imbalances towards thematic areas that are more visible and lend themselves to revenue streams. A review of 123 projects listed on six SSEs showed that environment projects were the most popular (25% of all projects), likely because of the dominance of social businesses in sectors such as clean technology. These were followed by projects focused on livelihood, healthcare, and people with disabilities. Mental health, gender-based violence, care of the elderly, and policy-advocacy projects were less common. Most SSEs prioritize project financing over raising core funds to help set and scale organisational processes and systems.

#### **WHILE SSEs ALLOW DIFFERENT TYPES OF DONORS/INVESTORS, INSTITUTIONAL INVESTORS ARE MORE COMMON**

All existing SSEs allow both retail (individuals with one-off and smaller donations) as well as institutional investors (foundations or high-net-worth individuals with regular and larger donations). However, opportunities for retail investors are limited because of regulatory restrictions, lack of suitable products that balance risk and returns, and the high cost of servicing them. Most SSEs also place significant emphasis on investor/donor education to create demand for their services and sensitize stakeholders to the requirements and nuances of funding social organisations.

#### **SSEs HAVE STRONG MEASURING AND REPORTING METRICS BUT DO NOT ALWAYS CAPTURE IMPACT**

All SSEs require impact measurement and reporting from social organisations pre- and post-listing, but reflect the challenges faced by the social sector in developing robust, contextualized outcome metrics and templates. Output indicators, such as coverage in terms of the number of people impacted, are the most commonly reported metrics. Some SSEs require mandatory third-party verification of reported impact. Most SSEs measure their own impact based on the number of projects and thematic areas they have supported along with the amount of funds raised. Very few SSEs are able to capture wider changes to the social organisation ecosystem, including the enabling, standardizing policies and lower transaction costs they claim to catalyse.

#### **SSEs FACE CHALLENGES OF SUSTAINABILITY AND SCALE**

Of the eight SSEs considered in the study, three are active (Canada, Jamaica, Singapore), one (India) is proposed and four (Brazil, Portugal, South Africa, UK) are no longer in operation. Social stock exchanges' ability to cover their costs, as well as the experimental nature of early SSEs, were highlighted as relevant factors in SSE sustainability. Seven SSEs received philanthropic funding to conceptualize and kickstart operations, but this was often insufficient to finance operating costs as SSEs did not generate enough income through their fee structure, due to lack of scale and demand for their services.

## SSEs HAVE THE POTENTIAL TO PLAY A ROLE IN BUILDING THE SOCIAL SECTOR

Most SSEs have played a role in strengthening social sectors in their respective countries through the introduction of standardized impact reporting and benchmarks, prompting policy changes to empower the sector, encouraging transparency and building trust among various stakeholders such as the government, social organisations, businesses and the public. However, this role has been limited by the relatively small reach and duration of many SSEs.

## India's Proposed SSE

India's proposed SSE is still in development. The Securities and Exchange Board of India (SEBI) first constituted a Working Group (WG) in 2020 and then a Technical Group in 2021, with representation from civil society, to develop the framework for SSE. Our report applies findings from the comparative study of SSEs to SEBI's proposals, with the following conclusions:

### WG PROPOSAL: HOUSE THE SSE UNDER AN EXISTING STOCK EXCHANGE, REGULATED BY SEBI

#### Analysis:

- Linkage with an existing stock exchange will likely benefit the SSE by providing it with access to infrastructure, processes and knowledge capital, as well as credibility and an investor pool.
- However, it is critical for a conventional stock exchange to possess the willingness and ability to create mechanisms that recognize SSE's social purpose, as well as a nuanced understanding of risks and returns in the social sector.
- Participative decision-making should be undertaken by a body representative of all stakeholders, with significant representation from civil society and diverse social organisations.
- A sustainable revenue model should be designed early in the process, considering a mix of fees, philanthropic seed funding, and government funding.

### WG PROPOSAL: ALLOW BOTH FOR-PROFITS AND NON-PROFIT ORGANISATIONS TO LIST

#### Analysis:

- A key expectation from the SSE that differentiates it from other platforms is that of 'scale' – being able to reach a significant proportion of non-profits and social enterprises.
- In order to achieve scale, India's SSE should consider entry criteria for listing that allows a wide base of social organisations to participate, rather than favouring only certain types and sizes of social organisations.

## WG PROPOSAL: NO LEGAL DEFINITION FOR SOCIAL ENTERPRISES

### Analysis:

- This approach is intended to provide flexibility to an organisation to pursue socio-environmental objectives, regardless of legal form. However, the SSE must safeguard against impact washing by enforcing independent impact reporting measures to review and assess the self-declared impact objectives of participating organisations.
- The SSE should provide capacity building and resources to non-profit organisations to assist with meeting reporting requirements.

## WG PROPOSAL: LEVERAGE OR CREATE FINANCE INSTRUMENTS, ESPECIALLY FOR NON-PROFITS

### Analysis:

- The Indian SSE proposes to leverage existing instruments such as Social Venture Funds (SVFs) and Mutual Funds (MFs), and to introduce new tools such as Zero Coupon Zero Principal bonds, to mobilize increased amounts of capital for non-profits.
- Similarly, pay for performance instruments recommended by the SSE could raise capital and allow flexibility and autonomy in execution, while emphasizing outcomes.
- The SSE should encourage the use of such instruments for under-resourced and difficult issues rather than only for issues that can be easily measured.

## WG PROPOSAL: CREATE A MINIMUM STANDARD FOR IMPACT AND FINANCIAL REPORTING

### Analysis:

- While the Working Group's minimum reporting standard for both non-profits and social enterprises sets a floor standard, the template will need further contextualization and refinement over time.
- Financial reporting standards for non-profits created in association with the Institute of Chartered Accountants of India should be careful to avoid blind blueprinting of corporate standards to non-profits.
- All organisations, not just those listed on SSEs, should be encouraged to follow these standards to create a more streamlined and uniform reporting culture in India.

## WG PROPOSAL: INCENTIVIZE INVESTORS/ DONORS AND SOCIAL ORGANISATIONS TO PARTICIPATE

### Analysis:

- The SSE has suggested a range of tax incentives for donors, such as allowing 100% tax exemption on donations to all non-profits on the SSE and removing the 10% cap on income eligible for deduction. This could potentially increase donations to some non-profits, as well as the SSE's volume of engagement.
- Given that India has one of the lengthiest registration processes for non-profits in Asia, the SSE's proposal to fast-track certification and license renewal processes for listed non-profits could be beneficial. However, this might also privilege certain non-profits, particularly those with greater resources and capacity, over new, small, or grassroots organisations, potentially reducing sector diversity.
- Instead, measures that streamline registration and other reporting processes could be extended to all non-profits adhering to SSE standards and guidelines, not just those listed on the SSE.

## WG PROPOSAL: ALLOW A VARIETY OF FUNDERS/INVESTORS TO PARTICIPATE IN THE SSE

### Analysis:

- The SSE plans to allow a wide spectrum of investors and donors, including smaller individual (retail) investors, to meet its goal of raising new capital.
- Failure to create a sufficiently large and broad market for giving or social investing resulted in many SSEs shutting down.
- Additional thought should be given to building demand and capacity of investors to participate in the SSE, to help differentiate the Indian SSE from other fundraising platforms and ensure sustainability.

## General recommendations for SSEs

### DEFINE AN SSE'S MISSION AS AN AGENT OF CHANGE

SSEs differ from conventional stock exchanges in their purpose and must reflect the same in their conceptualization and operations. They should be participative and representative, with the voices of civil society, non-profits, and marginalized groups represented in SSE leadership and consultations. While SSEs can benefit from the credibility, support and networks of conventional stock exchanges, they should retain independence in decision-making. Conventional stock exchanges should support an SSE's social mission, including ensuring access to different types of social organisations and causes and respecting the different forms and needs of civil society.

### **BRIDGE THE INEQUALITY IN ACCESS TO CAPITAL**

SSEs should strike a balance between for-profits and non-profits by creating separate platforms for each, combined with different reporting requirements and instruments, and exploring small or mid-cap funds within each platform. SSEs should ensure that tax and other incentives for those investing in either for-profit or non-profit projects are at least equal, if not greater for non-profits. SSEs should allocate funding for capacity building and reporting to enable smaller organisations to list.

### **PROMOTE UNDER-RESOURCED CAUSES**

While SSEs can be cause-agnostic, they should also consider featuring thematic areas that are under-resourced and in need of support, in consultation with civil society. SSEs can encourage the use of innovative financing instruments to achieve such social outcomes. The choice of financial instrument should be decided based on a variety of factors such as suitability for a cause, flexibility and decision-making afforded to the non-profit, ease of design and execution, value-add over a simple grant, and costs. In addition to raising project financing, organisational funding should also be allowed.

### **ACTIVELY ENGAGE INVESTORS AND DONORS TO ACHIEVE SCALE AND SUSTAINABILITY**

In order to ensure sustainability, SSEs have to proactively generate demand through investor/donor education, convenings, workshops, and large-scale campaigns. It is important to bring individual or small donors under the fold, despite smaller donations and higher costs, to ensure that the concept of SSE gains wider acceptability. SSEs should strike a balance between providing donors and investors with the flexibility to choose their investments, versus pooled funds that do not offer any personalization.

### **IMPLEMENT A ROBUST MEASUREMENT AND REPORTING SYSTEM FOR SOCIAL/ ENVIRONMENTAL IMPACT**

Impact measurement tools must be selected on the basis of their relevance, objectivity and rigour while paying attention to the practicalities of time, cost, and skill required. During the nascent stage, reporting systems can be preliminary, but the SSE should continually push reporting thresholds to ensure maximum effectiveness.

### **ARTICULATE SSE'S OWN SUCCESS METRICS AND CONSCIOUSLY MEASURE IMPACT**

SSEs should devise metrics to measure their institutional impact. They can employ a combination of direct metrics measuring the quantum of funds raised, the number of organisations impacted (across themes, size and location) as well as indirect metrics such as the impact on civil society, changes in stakeholder attitudes and improvements in impact reporting by organisations listed.

# I. INTRODUCTION

---

Civil society has evolved rapidly since the beginning of this millennium, and is today widely acknowledged as one of the three cornerstones of any economy, alongside the state and markets. According to the Yearbook of International Organisations, the number of international non-governmental organisations (INGOs) increased from 6,000 in 1990 to more than 50,000 in 2006, and over 65,000 by 2013<sup>1</sup>. Domestic civil society also continues to expand and occupy critical roles throughout society. In India, for instance, there were an estimated 3.17 million NGOs in 2011 (including hospitals, schools, and religious institutions), 220,000 formally tax-exempted organisations listed on the Income Tax (IT) Department's website, and 94,000 registered NGOs on NITI Aayog's Darpan portal<sup>2</sup>. The civil society of today is heterogenous, vibrant and dynamic, representing a variety of issues across a spectrum of roles, from service providers and innovators, to advocates, watchdogs and researchers.

Civil society growth has been driven in part by maladies resulting from global economic systems incapable of addressing climate change and growing inequality, as well as by the establishment of shared commitments to inclusive and sustainable growth through platforms such as the Sustainable Development Goals. Availability of funding from large institutions has also been a significant factor, with international giving by large U.S. foundations reaching an all-time high of \$9.3 billion in 2015, up some 306 per cent from \$2.1 billion in 2002<sup>3</sup>. In India, private funding for the social sector grew at a rate of 15% per year between FY2014 and FY2018, while public funding increased around 10% per year, amounting to roughly a third of central government funding of the top ten social programs<sup>4</sup>.

Despite this growth, civil society globally continues to face many challenges, from government backlash and unsupportive policies, to funding shortfalls due to increased red tape around cross-border funding, as well as, more recently, the economic implications of COVID-19.

Social Stock Exchanges (SSEs) have emerged in recent times as institutions that propose to address some of these challenges and bridge the gap between the social sector and private capital. SSEs are regulated platforms that bring together social



**SSEs are regulated platforms that bring together social organisations, donors, and investors to facilitate funding and the growth of organisations that have a social purpose.**

organisations, donors, and investors to facilitate funding and the growth of organisations that have a social purpose. Brazil instituted the world's first SSE in 2003, with the establishment of Bolsa de Valores Socioambientais (BVSA)<sup>5</sup>. Since then, stakeholders in a number of countries – including South Africa, Portugal, Canada, the UK, and Singapore – have instituted social stock exchanges. These SSEs have aspired to harness the resources of financial markets and channelize private capital to combat some of the most pressing social and environmental issues of our time.

The rise of the social stock exchange has been concomitant with growth in the impact investment market, estimated to reach USD 715 billion in 2020<sup>6</sup>. Some countries have expanded the concept of SSE to a broader platform that encompasses impact as well as philanthropic investments, aiming to address challenges hindering the smooth flow of private capital to the social sector.

On the demand side, access to capital remains a long-standing pain point for social organisations across the world. Social businesses in both the UK and the USA demonstrated that demand for increased capital was the single common factor hindering growth. Similarly, in India, with approximately 2 million social organisations<sup>1</sup>, 57% of organisations claimed access to capital as a barrier to growth<sup>7</sup>. Another survey found that 50% of non-profits had been unable to access CSR funding in the last three years<sup>8</sup>.

On the supply side, donors and investors willing to invest in social organisations also face a number of challenges. 56% of impact investors across the globe listed appropriate capital across the risk-return spectrum as their most significant challenge followed by the lack of sophisticated impact measurements (48%), with Indian investors reflecting the sentiment of global investors<sup>9</sup>. On the non-profit side, 59% of everyday givers stated that they would be encouraged to give if the process were more convenient, while 63% noted the lack of reliable information on where and how to give in order to achieve the greatest impact as a consistent barrier<sup>10</sup>.

Recently, SSEs have received renewed global attention following India's plans to develop what could potentially be one of the world's largest and most impactful SSEs. The plan was first announced by Hon'ble Finance Minister Nirmala Sitharaman in her maiden budget speech in 2019<sup>11</sup>. The Securities and Exchange Board of India (SEBI) constituted the Working Group on Social Stock Exchange, which submitted high-level recommendations on June 1, 2020. While the recommendations have been deemed sensitive to local realities and supportive of transparency and accountability, concerns have been raised around lack of civil society representation in the Working Group and issues such as the definition of impact, accessibility for smaller non-profit organisations and increased corporatization of development narratives<sup>12</sup>. A new Technical Group with greater civil society representation was formed in September 2020 to further address the recommendations.

---

1 31% listed shortage of managerial skills and 32% reported a lack of understanding or awareness among banks and support organisations with respect to social organisations as additional barriers.

While Indian civil society and policymakers look to design an SSE that caters to local needs, they can benefit from an informed and comprehensive analysis of the experiences, structures, and learnings from both existing and past SSEs across the world. The following findings and recommendations can also aid civil society, the private sector, and policymakers in other countries as they consider whether social stock exchanges can effectively bridge the gap between private capital and social organisations, and build a more supportive and fostering environment for the social sector.

The report is structured as follows: Section 2 details the study's methodology, while Section 3 presents an analysis of key findings across all the SSEs. Section 4 provides a detailed case study on India. Section 5 highlights a few recommendations and best practices. Detailed profiles of individual SSEs are included after the conclusion in Section 6.

## II. METHODOLOGY

This study aims to review and analyse the structure, mechanisms, laws, and regulations governing social stock exchanges instituted across the globe, as well as India's proposed SSE in order to undertake an informed and nuanced comparison. Eight social stock exchanges, each instituted or, in India's case, proposed to be instituted, in different countries were shortlisted for study. The report relies primarily on secondary research, complemented with primary research in the form of semi-structured in-depth interviews with founders and experts wherever possible.

### Secondary Research

The study collated and documented information available in the public domain on the shortlisted SSEs through websites, press notes, articles in newspapers, and academic journals. The sources provided both quantitative and factual information, as well as opinions and critiques, where available. Data were analysed to obtain a detailed understanding of the core components of an SSE – its structure and regulations, including types of eligible social organisations, investors and financial instruments, disclosures, and offered services.

### Primary Research

Primary research provided qualitative insights and details for a more nuanced understanding of the SSE. The primary research involved in-depth, semi-structured interviews with two sets of stakeholders who helped unearth rationales and challenges related to the SSEs: i) founders or senior leaders of SSEs and ii) thought leaders and/or academics. Please refer to appendix I for a list of interviewees.

A concurrent analysis approach was used to synthesize the secondary data and primary data collected from the interviews. The main methods of analysis were coding and thematic analysis, using six research questions as a broad analytical framework.

The table below provides a summary of SSE data by country:

COUNTRY	LEVEL OF SECONDARY DATA	INTERVIEW WITH A FOUNDER OR SENIOR MANAGEMENT	PROFILED IN THE REPORT
Brazil	Moderate	No	Yes
Canada	High	Yes	Yes
India	High	Yes	Yes
Jamaica	High	Yes	Yes
Kenya*	Extremely Low	No	No
Portugal	Low	No	Yes
Singapore	Moderate	Yes	Yes
South Africa	Moderate	No	Yes
UK	High	Yes	Yes

\*excluded from further analysis due to paucity of data

## Limitations and Challenges

While this study was ambitious in scope and intent, it did face a few challenges:

- The social stock exchange as a concept has been mainly viewed from an impact investment lens, given its proximity to the core principles of a conventional stock exchange (listings, securities, financial returns and trading). Therefore, most literature and conceptual expositions of SSE are essentially commentaries on the field of impact investment, not a narrative of SSE as a mechanism for broader social development or change, thereby limiting a detailed and critical analysis of its application.
- There are very little updated data available in the public domain on SSEs, especially on those that have shut down.
- Most studies published to date have been descriptive accounts of SSEs. SSEs in most countries have gone through very rapid evolutions over short periods of time and therefore confound the accuracy of these descriptions.
- The timeline of studies undertaken to date is concentrated around the early introduction phases of SSEs across the globe and extends through 2016. Very few articles and research papers have been published between 2016-2020 on the topic of SSEs and therefore recent information is limited.
- Many articles which contained information about Brazil's and Portugal's SSEs were available in regional languages only and, therefore could not be analysed for the purpose of this study.

# III. KEY FINDINGS

---

SSEs across the world have been set up to address one primary objective – to direct more resources and capital towards organisations that have a social and environmental purpose. However, within this common denominator, SSEs have been influenced by and responded to different national contexts and factors such as development needs, country size, the maturity of financial markets and philanthropic ecosystems, the participation of the corporate sector in social and environmental development, and the government’s role in regulating the sector. This section presents the key findings from eight SSEs (of which four – Brazil, Portugal, South Africa, UK are no longer operating, Canada, Jamaica, Singapore are functional and India is proposed).

## A. Impetus for an SSE

Most SSEs were conceptualized to respond to a specific need, which influenced their role and structure. For example, the UK Social Stock Exchange (SSX) was developed to provide a platform to small and mid-cap companies (with a social impact lens) which were not able to raise sufficient capital through the stock exchanges on which they were listed. The UK SSX thus adopted the structure of a secondary listing platform through which investors could screen for impact-oriented organisations and invest in their securities through their listing on other stock exchanges<sup>13</sup>. Similarly, Canada and Singapore viewed their SSEs primarily as tools to build and strengthen the impact investment ecosystem in these countries, rather than a wider platform to raise funds for all types of social organisations.

On the other hand, Jamaica is aiming to develop its overall social sector funding landscape and has therefore adopted an approach that seeks to help not-for-profit organisations access funding and assist for-profit social organisations access capital through the issuance of securities. The adoption of such an approach will lead to the development of separate markets and, by extension, separate exchange platforms for not-for-profit and for-profit organisations<sup>14</sup>.

In India, in addition to access to capital, standardization of key elements around impact measurement and reporting has emerged as a key need from investors surveyed by the Working Committee, leading the Committee to make extensive recommendations on minimum reporting standards for social organisations<sup>15</sup>.

## B. Role of Regulations and Taxation Policies

Social stock exchanges do not and cannot exist in a vacuum. Country-specific legislation dictates the legal form that organisations can take, the tax benefits they enjoy and can provide, as well as their ownership structures. These regulations influence the interaction of stakeholders with the organisations listed on SSEs.

On the non-profit side, legal restrictions on non-profits in terms of their ability to generate revenue streams, issue debt or shares, make investments and pursue other activities, guide their treatment on an SSE.

For social businesses, certain countries such as the UK and Canada have crafted legislation to formalise the recognition of social enterprises as hybrid organisations with a social or environmental purpose. Certain forms of these companies are eligible to list on the SSEs of these countries, with unique features safeguarding them from mission drift<sup>16</sup>. The Jamaican Social Stock Exchange is in the process of pushing for the legal recognition of social enterprises along similar lines. This type of legislation recognising social enterprises can potentially help keep the focus of SSEs on organisations that have social and environmental objectives at their core, versus revenue generation<sup>17</sup>.

India has adopted a slightly different approach wherein the SSE proposes to rely on self-declaration, with entities choosing whether they want to be categorised as social enterprises, and consequently commit to minimum standards of reporting on social impact. The rationale behind this decision was that even entities that do not state “impact” as their primary objective can create meaningful and lasting social impact, and that more enterprises should incorporate impact into their operating approaches while enjoying the freedom to structure their legal form in a way that works best for them. However, in the absence of clear definitions and regulations, India will have to be diligent in creating adequate checks and balances to ensure fidelity to social and environmental missions. Indeed, the working committee notes that to ensure that only bona fide social businesses are able to associate with SSE, a mechanism of checks must be developed to verify the preference of such firms for social returns over financial returns.

Tax incentives are another key component of SSE regulation. A study by Charities Aid Foundation (CAF) indicated that charitable giving is 12 per cent higher in countries that offer some form of a tax incentive to individuals (33 per cent) than those that offer no incentive (21 per cent). This difference was more pronounced for low-income countries (27 per cent versus 18 per cent for high/middle-income countries). Thus, tax incentives for both investors/donors and social organisations can play an important role in making the SSE an attractive platform.

## C. Inclusion of For-Profit and Non-Profit Organisations

While most SSEs have or plan to allow for-profit social businesses to list, there are two schools of thought on the inclusion of not-for-profit organisations. One approach aims to preserve an essential characteristic of a traditional stock exchange, i.e., its ability to trade in securities and yield financial returns for investors and therefore prefers listing for-profit social businesses that could provide both financial and socio-environmental returns. The second approach grants access to any organisation with a social purpose,

regardless of its registration or taxation status, and matches them to suitable donors, who do not expect financial returns in case of non-profits – and investors, who expect both financial and socio-environmental returns.

A common trend observed through the study of eight social stock exchanges was that developed countries such as the UK, Canada and Singapore tend to utilize their SSEs to build a more mature impact investing space and advance market operations to mimic the functionalities of a stock exchange. They focus on for-profit social enterprises and Canada also allows impact funds to list. Even when they allow non-profits to list, such listings are in the minority; the emphasis remains on *revenue-earning* non-profits.

SSEs of developing countries such as Jamaica, South Africa, Brazil, and India have tended to attempt an inclusive platform to bridge the funding gap for not-for-profit organisations. This could be partly attributed to the critical role played by a vast number of not-for-profit organisations in delivering essential and basic services to the informal segments and disadvantaged populations in developing countries, as well as the need to ensure adequate funds for such organisations. Regulatory restrictions or permissions for not-for-profits to raise capital also determine the ease of their inclusion in an SSE, as mentioned above.

COUNTRY	FOR-PROFIT INCLUDED IN SSE?	NON-PROFIT INCLUDED IN SSE?
Brazil	No	Yes
Canada	Yes (including impact funds)	Yes
India	Yes	Yes
Jamaica	Yes	Yes
Portugal	No	Yes
Singapore	Yes	Yes
South Africa	Yes	Yes
UK	Yes	No

**We want to make sure that the net is as wide as possible because the basic aim is to solve social problems - so it is very important to include all variety of organisations: non-profits and whatever classification they have in the effort.**

Professor Neville Ying, Chairman, Jamaican Social Stock Exchange

## D. Size of Organisations Listed on the SSEs

Within the categories of non-profit and for-profit social organisations, findings on the inclusion of newer, smaller, local or less mature organisations were mixed.

Most SSEs acknowledged the imperative to make access to capital more equitable for all types of non-profits. India, where 61% of non-profits are defined as “small”<sup>18</sup>, has proposed using a pooling mechanism to grant access to such organisations and has also planned to earmark budgets to offer capacity-building and readiness support to such organisations.

On the for-profit side, Canada and the UK have included a certain minimum level of market capitalization and/or revenue stream in their eligibility criteria. While such criteria can help select more established and solvent organisations, the criteria also potentially shrink the bracket of organisations that could be eligible to apply. While the UK SSE leaned towards listed or pre-IPO stage enterprises with established revenue models that were considered less risky, Canada’s SSE allowed early stage as well as growth stage enterprises. Balancing the risk of investing in early-stage enterprises and safeguarding investors’ interests with funnelling resources to new ideas and enterprises was identified as an ongoing challenge.

Based on the listed organisations published by six SSEs (Brazil, Canada, Jamaica, Portugal, South Africa, UK) and details on revenues in the public domain (available for only a handful of organisations), we found the following: of the 25 (out of 36 total) for-profits listed on the UK SSE that published data on annual revenues, the median revenue was USD 8.2 million. Canada listed a combination of individual social enterprises and impact funds. The three individual social enterprises listed reported a median annual revenue of around USD 4.7 million. For South Africa, the median income, based on 8 out of 12 non-profits that declared this data, was around USD 0.7 million. Though these data are not extensive enough for a robust analysis, the numbers do seem to validate the perception that SSE privileges larger organisations within the social sector.

An interesting point noted in other studies has been that SSEs might encourage a highly selective and competitive atmosphere between organisations and projects, similar to shares listings of companies on a conventional stock exchange. This may be desirable if competition rewards the more efficient and effective organisations and improves the quality of services to final recipients<sup>19</sup>. However, a more common concern is that this competition may favour organisations not necessarily based on their quality or efficiency, but on their size, ability to speak the language of the markets, and employ English-speaking talent from the private sector. This preference could potentially disadvantage smaller, local and grassroots organisations<sup>20</sup>, contributing to further segmentation of the non-profit sector and exacerbating resource disparities.

## E. Distribution Across Thematic Areas

Across the world, funds flow differently to different thematic areas and sectors. Organisations working on education, healthcare, and livelihoods typically receive a large share of philanthropic capital, while those working on issues such as gender empowerment, disability, and mental health tend to be underfunded. For example, in the US, education and healthcare accounted for 23% of philanthropic funds<sup>21</sup>, while gender equality received only 3%<sup>22</sup>. Similarly, in India, education and healthcare accounted for 55% of philanthropic funds, while gender equality only received 1%<sup>23</sup>.

An SSE could potentially help direct capital to such critical but under-resourced issues. A review of 123 projects listed on six SSEs shows that environment projects were the most popular, accounting for a quarter of all projects, possibly because of the dominance of social businesses in sectors such as clean technology. These were followed by projects focused on livelihood, healthcare, and persons with disabilities. Mental health, gender-based violence, care of the elderly, and policy-advocacy projects were uncommon (5 or less out of 123 projects). Similar to competition between organisations, SSEs could also lead to conflicts between thematic areas and perpetuate existing funding imbalances, weighted towards projects that are more visible, measurable or popular and that lend themselves to revenue streams, versus thematic areas that are under-funded, complex, or require long-term solutions.

A related point concerns the type of financing made available to organisations, especially non-profits. Most SSEs offer project financing, i.e., instruments to raise funds for a specific, time-bound project. While this type of financing enables transparency, accountability and ease of measurement, there is a growing opinion that non-profits need “organisational funding” – i.e. funds not tied to a specific project but general resources and core funding to help set and scale processes and systems to create more resilient, efficient and well-managed organisations<sup>24</sup>. The need for flexible funding has become even more pertinent during the Covid-19 pandemic<sup>25</sup>. It is clear that many SSEs have not yet attempted to fill that gap, and still do not focus on or allow for such financing.

## F. Types of Investors

The social stock exchange has long been touted as a mechanism that can help democratize fundraising and the impact investing space. Given this objective, all seven SSEs in this study included both retail (individuals with one-off and smaller donations) and institutional investors (foundations or high-net-worth individuals with regular and larger donations). India aims to grant investment opportunities to both types of investors as well. However, opportunities for retail investors have been generally limited because of three key constraints – 1) regulatory restrictions; 2) lack of suitable products that balance risk and returns; and 3) the high cost of servicing retail investors with small ticket sizes. The Brazil, UK and Jamaica SSEs have encouraged the engagement of investors

from around the globe (depending on their foreign funding regulations), to potentially strengthen the finance landscape for social purpose organisations in the developing world by providing them with a global investment platform<sup>26</sup>.

In terms of regulating investors, SSEs have been driven by two considerations –

- Safeguarding investor interest: SSEs are responsible for ensuring that investors have an informed understanding of the risks associated with investments, and the financial capability to take that risk. To that extent, Canada has created a set of criteria based on assets holdings and net worth limits to accredited investors, and also imposed restrictions on investments on the basis of investor type (institutional or retail) and the type of investment (crowdfunding investment, Offering Memorandum (OM) investment or private placement investment).
- Investors' commitment to the mission: investors, especially institutional ones, can have a strong bearing on the enterprises in which they invest. There have been concerns around investors prioritizing growth and profits at the cost of an enterprise's social mission and thereby leading to mission drift or dilution of purpose<sup>27</sup>. Similarly, donors have sometimes pressured non-profits to scale their work too soon. While no SSE currently has any mechanism to screen investors on their alignment with impact (with some justifiably believing that this would further reduce an already small pool of interested investors) or create methods to bind them to an enterprise's social mission, Canada has issued some clarification on this topic. Under the heading "Who are the investors?", the SVX Investor Manual identified "impact-first investors with a focus on achieving positive social and/or environmental outcomes with patient capital investments." It is unclear whether SVX has continued to expect such impact-focus from its investors in its current form. Besides having investor screening, a softer way of building alignment would be through investor education and sensitization, promoted by most SSEs.

## G. Types of Financing Instruments

Depending on the type of organisations, SSEs allow a variety of financing instruments – from donations for non-profits to equity and debt for for-profits – with a combination of financial and socio-environmental returns. For example, Canada offers a suite of instruments such as loans, convertible notes, revenue, common, or preferred shares, and limited partnerships. Jamaica currently has grant instruments and plans to introduce debt and equity in later stages.

By design, a not-for-profit cannot generate and/or distribute profits among stakeholders. This inherent characteristic of the structure of a not-for-profit has prevented many

policymakers and SSEs from granting not-for-profit organisations the liberty to explore mainstream capital markets or instruments such as the issuance of equity and debt through SSEs. In the absence of a provision for the issuance of securities, Brazil and Portugal's SSEs focused on services akin to a crowdfunding platform.

However, the use and exploration of innovative financing instruments can help not-for-profits access capital that expects a financial return in addition to social returns. These instruments include Development Impact Bonds, Social Success Notes, philanthropic mutual funds, and loan guarantees that typically combine philanthropic and market capital.

Singapore's Impact Investment Exchange (IIX), the founding entity of IX, has demonstrated this through the issuance of the Women Livelihood Bonds (WLBs)<sup>28</sup> to help low income Southeast Asian women earn sustainable livelihoods. Under this Bond, not-for-profit and for-profit organisations are grouped in a special purpose vehicle (SPV) with micro-finance institutions (MFIs) to help entities raise mainstream debt and utilize it to execute specific impact-driven activities<sup>29</sup>. While the bonds were not issued or listed on an SSE, this approach can be replicated by SSEs to unlock equity or debt capital for not-for-profit organisations.

Similarly, India has proposed leveraging additional existing mechanisms such as Social Venture Funds (SVFs) and Mutual Funds (MFs), which are covered under SEBI's Alternative Investment Fund (AIF) guidelines, to pay for success structures and impact bonds<sup>30</sup>.

## H. Measuring and Reporting Socio-Economic Impact

Embedded in an SSE is the double or triple bottom line concept – combining financial returns with social and/or environmental returns. However, unlike financial returns, there is an extensive body of knowledge dedicated to articulating the difficulties of measuring social returns. There is no common taxonomy or metrics for social impact. While frameworks such as IRIS+ – an impact measurement and management system by the Global Impact Investing Network – have attempted to



**The use and exploration of innovative financing instruments can help not-for-profits access capital that expects a financial return in addition to social returns. These instruments include Development Impact Bonds, Social Success Notes and more.**



create standardized frameworks and been instrumental in the growth of impact investment, they have also been criticized for capturing only outputs, not outcomes or impact, as a light-touch application of conventional investment metrics to impact space.

Conversely, methods of social research used to measure impact have been criticized as too expensive, complicated, and time-consuming. Given this context, SSEs across the world face a challenge in not only creating frameworks to assess enterprises on their social mission but also ensuring regular and robust impact reporting to investors.

All seven SSEs have pre-listing criteria that help them screen and identify impact-focused organisations, though the level of rigour and extent of verification varies. India is in the process of determining the criteria. While Jamaica and Brazil have a broad set of criteria that need to be self-assessed and self-reported by listing organisations, Canada requires for-profit organisations to meet a minimum threshold on globally established standards such as GIIRS ratings and B Corporation Certification. Meanwhile, Singapore requires organisations to obtain certification of impact reports by an independent standard or rating body 12 months prior to listing.

As social returns are the primary return for investors, all SSEs have also mandated impact reporting, whether quarterly, half-yearly or annual, with some SSEs also directing the use of global reporting standards and verification by external agencies. A few SSEs such as Singapore and Canada have encouraged the use of “theory of change”, “impact management project” and other frameworks<sup>2</sup>, to highlight the “intentionality” and “attribution” of a business in creating impact.

With respect to measuring and reporting an SSE’s own impact, information gathered from the official websites of SSEs (that are still accessible), their published reports and blog posts provide insights into how SSEs have been measuring and categorising their impact. A common trend is for SSEs to report on the number of projects (broken down by thematic areas such as health and financial inclusion) and the quantity of funds raised. The UK and Canada seem to capture the reach of their investees and a few impact indicators, with Canada making available detailed impact reports to its members.

## I. Business Model and Continuity

Social stock exchanges emerged in the early 2000s. The earliest SSE, Brazil’s BVSA, was launched in 2003 and had the longest running time (15 years) until its dissolution in 2018. The majority of SSEs were unable to sustain themselves beyond a certain number of years. Such SSEs were active as follows: Brazil (2003-2018), South Africa (2006-2017), Portugal (2009-2015), UK (2013-2017). There is minimal information available in the public domain detailing why these SSEs were rendered inactive. It is clear that SSE models and markets are still in a developing stage. The early stages of any new model are bound to face failures.

---

<sup>2</sup> The Impact Management Project is a forum that convenes a Practitioner Community of over 2,000 enterprises and investors to build global consensus on how they talk about, measure and manage impact.

Beyond longevity, there seems to be a more specific concern. One study by the Impact Finance Network in 2018 reviewed 150 impact platforms, including SSEs such as SASIX, SSX, BVSA, and SVX. It found that 53% of platforms were unable to finance their operating costs and 61.5% received funding from grants. 75% of platforms did not generate enough income to fund their operations. 60% of these platforms had approximately only 1,000 users. While the number of users did not necessarily indicate the size of investments being made, it was found that low user levels often resulted in platforms being unable to generate enough engagement or revenue through their services to sustain themselves<sup>31</sup>.

Seven SSEs received philanthropic funding to conceptualize and kickstart operations from foundations and financial institutions, including the Rockefeller Foundation in the UK, Canada, Singapore, and South Africa; the Gulbenkian Foundation in Portugal; and CSR funds of the Jamaican Stock Exchange and Inter-American Development Bank (IDB) in Jamaica. Beyond this seed funding, SSEs have adopted different revenue models. SSEs in Brazil and Portugal funded their operations with support from founding stakeholders and grants and did not charge any fees to listing organisations or participating investors. However, the UK's SSE charged organisations that wanted to be featured with a membership fee. Canada charges application and transaction fees to issuers on the SSE, and for certain consulting and advisory services. With a vision to establish a self-sustaining SSE, Jamaica's SSE intends to fund its operations by utilising 10% of the proceeds raised by each lister on the JSSE. Although many SSEs have not used public funds, government funding could serve as an additional source of income in countries such as India, where the impetus to set up an SSE has come from the government.

## J. Capacity Building of Social Organisations

With a general aim to include as many social organisations as possible and extend their impact, social stock exchanges offer a variety of capacity-building services to social organisations. Excluding South Africa's SASIX, for which limited information is available, the remaining SSEs offer or plan to provide a de-



Revenue generating activity in this area is not easy. Nor is ensuring that we are able to deliver on a business activity that is still relatively new and novel in a marketplace, that while growing, has not reached a level of maturity. The business model itself continues to evolve.

Adam Spence,  
Co-Founder, CEO, SVX



gree of capacity-building services to social organisations. These services vary from basic support for meeting eligibility criteria and complying with monitoring/reporting requirements, to customized and value-added services such as business consulting (e.g. Canada) or incubation support (e.g. the UK).

Four SSEs created the in-house capacity to offer such services while two SSEs forged strategic partnerships with external agencies. To support not-for-profit organisations in enhancing their capabilities, India has proposed the institution of a capacity-building fund that can bear some of the costs of increased reporting requirements. The fund will prioritise support to smaller organisations and aim to introduce features that attract investments and donations to the fund, such as contributions that are CSR-eligible and/or contributions that benefit from the same regulations and fiscal benefits available under the Income Tax regulations<sup>32</sup>.

## K. SSEs as a Catalyst for Sector Building

As articulated by the Working Group's Report on India's SSE, SSEs are reportedly not just processes, but potential agents of change that can play an important role in building the field and the market. Standardized reporting and impact measurement requirements introduced by SSEs have helped to create common standards among various stakeholders. Most SSEs reported undertaking measures to build awareness among investors on sustainable investing, social finance, risks, returns and goals behind supporting such organisations. SSEs have also spurred policy changes and developments, especially around the governance of social finance/businesses in countries. For example, the Jamaican SSE is working on regulatory changes to formally recognize social businesses and their unique facets. The Canadian SSE was also instrumental in encouraging the introduction of Ontario's 2013 Social Enterprise Strategy, detailing the Ontario government's efforts to support and grow social enterprises<sup>33</sup>.



It is important  
for us to  
support the  
development  
of the  
ecosystem and  
to move the  
policy agenda  
forward ...  
in order to  
ensure that  
we have a  
vibrant set of  
offerings and  
an ecosystem  
that is going  
to allow us  
to meet our  
vision.

Adam Spence,  
Co-Founder, CEO, SVX

## L. Technology

Most SSEs have utilised technology to make their listings of projects and organisations available online. Some have also allowed online transactions on their platforms. Many SSEs have relied on technology developed by conventional stock exchanges. While some SSEs such as those of Brazil, the UK, and Canada have provided either broking or portfolio management services to investors, there exists an unmet need for a more specific technology – one which is intuitive and responsive to the needs of the social sector and makes for a seamless online engagement process<sup>34</sup>. Canada's SVX also acknowledges that while technology is a critical component to operationalising its platform, investing in offline engagement with stakeholders is just as essential to creating demand beyond online transactions.

This section has presented the commonalities and differences between various countries in their conceptualization and operationalization of social stock exchanges, with analysis of risks and opportunities across a core set of factors, as highlighted in the visual below.



The next section leverages these findings to take stock of the proposed SSE in India and analyses the Securities and Exchange Board of India (SEBI) Technical Group's key recommendations, in light of these findings from other global SSEs.

# IV. INDIA'S PROPOSED SOCIAL STOCK EXCHANGE:

## SEBI RECOMMENDATIONS AND ANALYSIS

---

In her maiden budget speech in 2019, Hon'ble Finance Minister Nirmala Seetharaman proposed a social stock exchange under the regulatory ambit of the Securities and Exchange Board of India (SEBI):

It is time to take our capital markets closer to the masses and meet various social welfare objectives related to inclusive growth and financial inclusion. I propose to initiate steps towards creating an electronic fund-raising platform- a social stock exchange-under the regulatory ambit of Securities and Exchange Board of India for listing social enterprises and voluntary organisations 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.

Government backing for India's SSE differentiates it from others, such as Brazil, Singapore, and the UK's SSEs, which were mainly led by private sector entities. SEBI announced the constitution of a Working Group on the proposed SSE on 19 September 2019<sup>35</sup>. The Working Group was criticized for lack of adequate representation from the civil society. Nevertheless, on 1 June 2020 it laid out a vision and made high-level recommendations on the structure and constituents of the Indian SSE.

In September 2020, a Technical Group, now with representation from civil society, was constituted to further develop the onboarding framework for social organisations, define social enterprises, prescribe disclosures, and develop norms for social impact measurement and audits.

While the Technical Group recommendations are still forthcoming, this section reviews key high-level recommendations of the Working Group (WG) in light of the global study findings, and also incorporates insight from interviews with experts to shed light on India's planned SSE.

### A. House the SSE Under an Existing Stock Exchange, Regulated by SEBI



The Working Group has recommended that the Indian SSE be hosted as a platform under one of the existing stock exchanges that fall under the ambit of SEBI: i.e., the Bombay Stock Exchange (BSE) or National Stock Exchange (NSE).

The majority of SSEs instituted across the globe were co-created with the main conventional stock exchange. However, SSEs themselves were registered as independent entities, with their own Boards and management teams. **A relationship with the main stock exchange can help unlock synergistic advantages for the social stock exchange such as credibility, trust, an existing pool of investors, infrastructure, among others.**

The BSE and NSE in India are well-established stock exchanges that have been in operation for years, with an active pool of investors, requisite mechanisms and processes, and long-standing reputations. Hosting the Indian SSE under the BSE or NSE and utilizing the existing infrastructure to provide the services of SSE will likely save cost and time and allow for the more efficient execution of SSE activities at scale. The knowledge capital of stock exchanges regarding instruments, investor relations, and returns can also be leveraged to deliver quality services to investors and donors. The Indian SSE could likely also benefit from some funding from BSE's or NSE's own CSR allocations, similar to the Jamaican SSE.

However, the conventional stock exchange and its regulator must have the willingness and capacity to appreciate and promote the nuances behind the “social” element of SSE, including **ensuring access to different types of social organisations and causes, and avoiding over-financialization or corporatization of civil society. Representative and participative decision making will be critical** to safeguard against this trend.

The Indian SSE should aim to build its revenue model early in the process, exploring avenues such as listing fees, transaction fees, philanthropic and CSR funding and, if required, even government funding to ensure sustainability and viability.

## B. Allow Both For-Profits and Non-Profit Organisations to List



The Indian SSE plans to allow both non-profit and for-profit organisations to list, with different approaches and tools for each, but a common minimum reporting standard.

This is in line with the founding vision articulated by the Finance Minister and the trend observed among SSEs in developing countries. While **the inclusive approach is necessary and commendable**, the specific recommendations from the Technical Group will shed more light on the exact criteria for listing and whether there will be two separate platforms for different types of organisations.

One concern voiced in the Working Group committee report was that the current SSE thinking is geared towards entities registered under Section 8 of the Companies Act, and less towards Trusts and Societies, which are older forms of non-profits in India<sup>36</sup>. It

is easier for the conventional stock exchanges and the SEBI to understand Sec 8 registration status as part of the Companies Act, whereas the regulations governing trusts and societies can be unfamiliar and complex.

The SSE may have to undertake educational activities with donors and investors (especially retail investors) to develop a more sensitive and comprehensive understanding of differences between non-profit and for-profit models to ensure that funding is not skewed in any one direction and to avoid unhealthy competition between the sectors.

## C. No Legal Definition for Social Enterprises



Given the diversity of enterprises and models in India, the Working Group has suggested not formulating a specific definition for for-profit social enterprises but rather adopting a self-declaration approach, whereby enterprises can choose whether they want to be categorised as a social enterprise, and consequently commit to additional reporting on social impact. The Group did not restrict the legal form of a social organisation as it envisioned a future where more enterprises incorporate impact objectives and strategies in their business approach, while enjoying freedom to structure the legal organisational form.

While the rationale is commendable, it will be **imperative to institute clear eligibility criteria and a robust, independent mechanism that reviews and assess the self-declared impact objectives of the organisation.** The presence of such a mechanism will ensure the on-boarding of impact-driven organisations that primarily intend to create social-environmental change, and safeguard against impact-washing.

## D. Leverage or Create Finance Instruments, Especially for Non-Profits, to Raise Capital



One of the reasons why non-profits have traditionally been left out of SSEs is due to lack of availability of appropriate instruments that can be listed. In leveraging existing mechanisms

## The Devil is in the Details

Defining the selection criteria and process for social organisations, especially non-profits, will be the most important determinant of Indian SSE's impact on equity in the non-profit sector. It will have a bearing on both the quantity and quality of non-profits who can participate.

A key expectation for the SSE that differentiates it from other crowdfunding or fundraising platforms in India, especially in being promoted by the highest levels of government, is that of 'scale' – being able to reach a significant proportion of non-profits. Given the diversity and scale of non-profits in India, only a small proportion will be able to list on the SSE. Even taking the smaller universe of the Darpan portal's 94,000 non-profits, the question is whether the criteria and ensuing process will allow 10%, 50% or more of these to be listed. In addition to access to capital, the ability of non-profits to list on the SSE becomes critical when one considers the spate and depth of regulatory and tax benefits being proposed for non-profits, and the gap that could open up between those who can avail them and those who cannot. Similarly, the credibility of the SSE, given the backing by the government and SEBI, indicates a very real possibility that the listing status could become a benchmark of quality and trustworthiness for other donors and fundraising platforms in India.

As Noshir Dadrawala, Director at the Centre for Advancement of Philanthropy and India's leading consultant on legal compliance for non-profits and CSR, states: "The listing criteria and due diligence process and therefore who gets left out is of key concern to India's development sector. Will the same few non-profits who already have well-established models benefit, or will we see mid-sized, younger organisations also [benefit]?"

such as Social Venture Funds (SVFs) and Mutual Funds (MFs), which allow non-profits to raise money and already have legal and operational precedents but are not widely known, the Working Group has been smart and practical. While one instrument (zero coupon zero principal bond) is new to India, it has been tried in other countries. These instruments could lead to an increase in the quantum of capital mobilized towards non-profits. Pooling mechanisms such as SVF and MFs can allow for thematic focus, directing funding to under-resourced areas. **The SSE should allow non-profits to raise organisational funding in addition to project funding using these instruments.**

## E. Allow Pay-for-Performance Instruments



Pay-for-performance instruments such as Development Impact Bonds provide a sharper focus on outcomes and impact, moving attention away from inputs and outputs. **They also provide considerable autonomy and flexibility to social organisations in achieving desired outcomes.**

Pay-for-performance instruments have the ability to draw mainstream investors who would otherwise not consider such high-risk areas, and use philanthropic capital in a strategic way to unlock risk capital. However, these instruments can also involve higher costs in terms of complicated structuring, management and impact assessment. **They also inherently favour more established organisations that can 'guarantee' impact to an extent and are more likely to be used to direct funding to cause areas that are already well funded.**

## F. Create a Minimum Standard for Impact and Financial Reporting



The Working Group has recommended a minimum reporting standard for both non-profits and social enterprises, including strategic intent and goal, impact scorecard and governance and financial details. Non-profits need only self-report, while for-profits will go through an assessment mechanism developed by SEBI.

The format for reporting was developed to lend a degree of uniformity and standardization in reporting, which would create confidence in investors and donors, while not becoming too cumbersome for the organisations. **Given the complexity of rigorous impact measurement, the requirement of suitable intermediaries and time and costs involved, the recommendation to propose minimum reporting standards at the inception stage and gradually develop a more sophisticated framework over time is sensible.** The minimum standards themselves are quite simple, straightforward and aligned to existing expectations from other donors and CSR funders.

A refinement of the standards over time, customized to the Indian landscape will also aid the larger acceptability of the reporting standards. **The SSE should create mecha-**

**nisms where the reporting standards could also be utilized by organisations that do not operate directly through the SSE.**

Similar standardization is also proposed for accounting and financial reporting frameworks for non-profits in India. Most of the current frameworks have been borrowed and tweaked from the corporate world. **Given that non-profits' are very different from companies in their purpose, nature of income and operations, such frameworks are not always appropriate for them.** Developing more nuanced and contextualized financial reporting standards in association with the Institute of Chartered Accountants of India (as recommended by the Working Group) – but more importantly, in consultation with civil society and the sector, is key to creating more effective frameworks for transparency.

## G. Regulatory Changes for Non-Profits



India has one of the lengthiest registration processes for non-profits in Asia, averaging around six months, compared to the Asia average of three months<sup>37</sup>. The Working Group has suggested the following recommendations to create a more supportive policy environment for non-profits in India and help them become sustainable in the long-run:

- Enable fast-tracking of certifications for 12A, 12AA and 80G for all non-profits doing social and financial reporting, as per the SSE guidelines.
- Re-evaluate the current budget proposal to make the renewal of registration under 80G periodic
- Increase the limits under the IT Act on charitable institutions raising funds from commercial or semi-commercial activities to 50% from the current 20%

**These proposals, if extended to all non-profits adhering to SSE guidelines, not just those listed on the SSE, could reinforce and drive the adoption of standards created by the SSE by the wider non-profit sector**, which is a critical step for building the field. They could also help streamline non-profit regulation and reduce unnecessary bureaucratic hurdles to non-profit operation.

## H. Allow a Variety of Funders/Investors to Participate on the SSE



The Working Group has indicated that funders and investors on the SSE could be individuals, government organisations, corporations (via CSR contributions), institutional and retail investors, and philanthropic foundations, both foreign and domestic. **Allowing a wide spectrum of investors and donors, including retail, bodes well for the overall goal**

**of raising new capital.** Given the credibility and assurance of BSE/NSE and SEBI, the SSE is well placed to engage individual and retail donors.

However, **engaging retail donors will require different strategies and devoting efforts and resources towards creating demand.** Philanthropy and giving in India has been largely driven by a handful of ultra-high net worth individuals and their foundations. The ecosystem is geared towards encouraging strategic, institutional giving. India has not done much to develop a culture of giving among regular citizens and the middle class. According to the World Giving Index released each year by Charities Aid Foundation, in 2017 India ranked 124<sup>th</sup> for giving out of 144 countries. While an unfavourable tax regime can explain part of this trend, **there is also a general lack of trust in non-profits, lack of suitable channels and infrastructure and lack of strong educational and engagement strategies for retail donors.** The Working Group does not delve into these issues.

Furthermore, in light of the recent amendments to the Foreign Contribution (Regulation) Act Act in September 2020 (coming after the Working Group Report), it is essential that the new technical group revisit the FCRA provisions to **clarify the role of foreign donors and the extent of their participation in the SSE.**

## I. Align Several Rules Regarding Section 135 of the Companies Act (Mandating CSR spending) with the SSE



The SSE can provide an effective platform to synchronize Indian CSR spending, which is a significant source of philanthropic capital for non-profits in the country. The report suggests a few policy changes to the recent amendments to the CSR rules to facilitate this convergence, such as –

- Allowing for the disbursement of funds to non-profits through the SSE to be counted as CSR expenditure
- Enabling companies to actively partake in pay-for-performance instruments through CSR
- Introducing a mechanism to facilitate the exchange of CSR spends between companies with excess CSR spends and those with deficit CSR spends, such as CSR certificates

However, the last **suggestion on ‘trading’ CSR credits needs to be evaluated thoroughly.** The primary goal of Section 135 was to ensure that companies act as responsible corporate citizens who create positive social and environmental value through their innovative ideas and management skills and with greater efficiency and better outcomes.

Giving them a hands-off and quick 'way-out' through a credit buying system, especially when CSR performance was just beginning to improve, could undermine the objective of a more responsible and sensitive corporate sector and also deprive companies of the benefits of strategic CSR.

## J. Strengthen Tax Incentives for Donors/Investors



The Working Group has recommended better tax incentives for donors/investors, which have proven to be effective tools to attract participation across financial structures and instruments. The main recommendations include -

- Allowing philanthropic donors to claim a 100% tax exemption for their donations to all non-profits that benefit from the SSE
- Removing the 10% cap on income eligible for deduction under 80G
- Allowing all investments in securities/ instruments of non-profits listed on SSE to be tax-deductible
- Allowing first time retail investors (who are investing in the SSE for the first time) to avail a 100% tax exemption on their investments in the SSE MF structure, subject to an overall limit of INR 1 Lakh
- Allowing investors in social enterprise offerings exemptions from the Security Transactions Tax and Long-Term Capital Gains Tax

While 14 economies in Asia offer tax deduction rates of 100% or above for individual and corporate donors, India only offers a rate of 50% for both<sup>38</sup>. Furthermore, deductions can only be claimed for up to 10% of income, which adds another disincentive. **Easing these restrictions could significantly encourage donations to non-profits, and help balance the absence of financial returns.** In the interest of equity and creating a wider culture of giving in the country, it would be sensible to **consider expanding the first two recommendations to all registered non-profits (including those certified by the SSE), not just those that are listed.**

## K. Encourage and Incentivize Investors, Donors to Participate



As evidenced by the experience of many SSEs, failure to create a sufficiently large and broad market for giving or social investing resulted in many SSEs shutting down. Even mature markets such as the UK and Canada have had to invest significantly in creating demand. While the Working Group report talks about certain supply-side initiatives to attract social or-

ganisations, it is silent on how the SSE proposes to create a demand for itself. **The SSE's ability to encourage mass involvement through investor/donor education and engagement could be an important factor that differentiates it from other fundraising platforms.** Such efforts would also be critical to ensuring that new capital is raised and optimally directed towards social welfare.

## L. Create and Monitor a Set of Enabling Intermediaries



The Working Group has suggested introducing Information Repositories (IRs), which would work on developing a database of non-profits, their activities and areas of operation along with other credible, standardized information. To monitor these IRs, the Group encourages the establishment of a Self-Regulatory Organisation (SRO) that will bring together existing Information Repositories and social auditors.

The recommendation is commendable in that it provides an immediate solution that will aid the provision of information on credible non-profits and thereby facilitate investments through the India SSE. However, the IRs suggested by the report – e.g., GuideStar, DARPAN, Credibility Alliance – may all have different criteria, metrics, scorecards and costs. Therefore, before on-boarding IRs, **the SRO could play a critical role in mapping the commonalities between the approaches and frameworks of different IRs and agreeing on some common metrics.**

Similarly, it would be important for the SSE or the new SRO to on-board a set of credible social auditors who not only understand the multi-dimensional nature of the process of social change, but are also able to capture it in a simple and standardized way. **The SSE or SRO should be cautious of social auditors merely tweaking financial audit processes, and aid in developing a more contextual application of the audit process.**

## M. Set up a “Capacity Building Fund”



The Working Group has suggested creating an earmarked capacity building fund of **INR 100 crore** (~13.67 million USD) with the following mandate:

- To aid non-profits, prioritizing smaller ones, on reporting and associated costs
- To organise existing Information Repositories (IRs) in the immediate term for extending requisite support to SSE

The Group has further suggested that companies and philanthropic foundations can contribute to this Fund, with the understanding that corporate contributions would be CSR eligible, and philanthropic donations would benefit from the same regulations

and fiscal benefits as are available under 80G and other regulations. **These are proactive measures to help build the demand side of the market, in terms of attracting more organisations and building their capacity to efficiently access the platform.** They also serve to nudge donors to recognize and acknowledge the importance of financing organisation-building for non-profits, in addition to project financing.

The proposed capacity building fund could also consider providing financial resources to structure new and relevant products and support programs that build readiness of social organisations, either through one-on-one coaching or cohort-based programs. This could help create more inclusivity, from a likely starting point of only a few social organisations being ready to list on the exchange, to a more robust set of offerings, and social organisations.

---

To summarize, the proposed SSE in India seems to have adopted an inclusive and comprehensive approach, which is sensitive to the needs and constraints of social organisations and donors/investors in India. More granular recommendations from the Technical Group would help to further define the modalities. Based on findings from global experience, two areas that merit more attention include detailing the governance, management and sustainability of the SSE and creating strategies for demand generation among donors/investors, while continuing to encourage ongoing consultation with civil society and institutionalization of non-profit viewpoints in the SSE itself. The next section explores a set of wider recommendations applicable to SSEs across the world.

# V. RECOMMENDATIONS

---

To summarize the key findings from the previous sections, SSEs hold the promise of unlocking more capital and resources for organisations with social purpose, generating en-masse awareness about such organisations and leading to standardization across key elements.

However, many SSEs have been unable to continue operations for a variety of reasons. While one may be tempted to discount the idea of SSE due to their closure rates and unintended negative consequences, the concept still has the potential to be a game-changer for civil society. In order to realise the benefits, countries need to design SSEs differently, avoiding blind blueprinting from conventional stock exchanges, contextualizing them to the realities of civil society and securing greater buy-in from the social sector. The below recommendations will help to ensure that SSEs become inclusive institutions that support civil society and non-profits.

## Recommendation 1

### DEFINE AN SSE'S MISSION AS AN AGENT OF CHANGE

With their unique position as platforms bringing together various stakeholders and brokering relationships between sectors to prioritize development, SSEs have the potential to be powerful agents of change. Countries must be cognizant that unlike conventional stock exchanges, social stock exchanges have a deeper purpose which should be reflected in their governance, design and operations. To that extent, it can be argued that the “stock exchange” designation itself is a misnomer.

The process to design an SSE should take cognizance of the existing efforts and initiatives in the country, its development needs and the needs of its social organisations, as well as the expectations of potential investors and donors, and aim to co-create a platform that complements and adds value to these stakeholders, rather than competing or creating yet another platform. Crafting a shared mission in a participative manner at the inception of the SSE can be the common thread that harnesses the energy of founder, boards, senior leadership and employees to achieve true impact milestones.

## Recommendation 2

### LINK TO THE CONVENTIONAL STOCK EXCHANGE, WHILE MAINTAINING INDEPENDENCE IN DECISION MAKING

While considering the structural architecture of a social stock exchange, it is beneficial to consider a linkage to the existing capital market stock exchange of the country. A partnership with, if not incubation support from, the existing stock exchange can lend credibility to the platform and help accelerate the institution process. Credibility can unlock further operational partnerships and grant confidence to existing investors and donors. The SSE can also leverage the infrastructure and technology facilities of the

existing stock exchange and house the SSE as a separate board under the existing stock exchange.

While a partnership with the existing stock exchange can grant benefits, it can also prove to be detrimental to the functioning of the SSE if the decision making and operations are not specifically differentiated from that of the existing stock exchange. As the purpose of an SSE is different from that of a conventional capital market stock exchange, the same set of governing principles cannot be imposed on the social stock exchange.

The SSE should ideally have an independent leadership, comprising adequate representation from the regulatory ecosystem, financial markets, investors, social organisations, academia and civil society. Care must be taken to ensure that the voices of civil society and non-profit organisations are not lost or minimized in any phase of design or operation of the SSE. These must also have adequate gender and minority representation. Further, the governance or advisory boards must be financially competent to understand and project the cash flows of the SSE and build a sustainable structure.

It is important to introduce proper mechanisms that can minimize occurrences of disconnect between the governance board, senior leadership and operational teams. These could include clear codes and guidelines that are sensitized to the impact objectives, adopt an outcome-focused lens, and if required, even specify the extent of involvement and permissible interference from the existing stock exchange. All measures collectively should ensure that the SSE itself does not experience mission drift, and prioritizes positive social impact above all.

A cross-sectoral incubation partnership, where a set of leading institutions with an aligned mission and mandate could assist with the establishment of the SSE and complement the local stock exchange by adding networks, resources, and expertise.

## Recommendation 3

### BRIDGE THE INEQUALITY IN ACCESS TO CAPITAL

It is a difficult task to provide a level playing field to organisations that provide only social returns versus those that promise financial returns, as well as between new/small organisations and established ones. A few suggestions to bridge the gap and ensure a balance between for-profits and non-profits are as follows –

- Create two separate platforms for non-profits and for-profits with different sets of criteria, reporting mechanisms and instruments
- Under each platform, assess the feasibility of running small or mid-cap funds wherever possible
- Demarcate a set of funds to cater to social assessment and capacity building

requirements of smaller organisations to aid them in listing on the SSE, access to which is means and merit tested

- Ensure adequate demand for platforms for non-profits and for-profits through investor and donor outreach, mobilization and awareness initiatives
- Ensure parity in tax incentives granted to philanthropic donations versus investments, ensuring that the former does not lose out to the latter
- Ensure that overall semantics (principles, guidelines, language, terminology, behaviours etc.) reinforce the larger mission, are inclusive of both categories and are not overly corporatized or financialized and therefore difficult for non-profits to navigate

## Recommendation 4

### PROMOTE UNDER-RESOURCED CAUSES

In line with the above recommendation, SSEs should strive to ensure a balance not just between for-profits and non-profits, but also among thematic areas. In particular, it should pay close attention and consider structural ways to channel resources to issue areas that are under-funded, systemically rooted, politically charged or desiring support within their geographical context. While the SSE should remain generally cause-agnostic, it should consciously seek projects within underfunded thematic areas such as gender-based violence, promoting active citizenship, urban design, mental health, land rights etc., and build appropriate tools for these. The SSE could also hold ongoing consultations with representatives from civil society to determine which areas are underfunded.

The SSE should ensure that innovative financing instruments are used as a means to achieve specific social outcomes and are not a mere end in themselves, which could lead to excessive legal compliance, complicated structuring, and contracting, and could skew the incentives towards certain causes and types of organisations. The choice of financial instrument should be decided based on a variety of factors such as suitability for a cause, flexibility and decision-making afforded to the non-profit, ease of design and execution, value-add over a simple grant, and costs. While difficult to operationalize, innovative financing instruments can fulfil their true mandate when leveraged for under-resourced and difficult issues rather than only those that can be easily measured. The SSE is well placed to catalyse such discussions and pilot new, bold tools to address funding disparities within the universe of social needs.

## Recommendation 5

### ACTIVELY ENGAGE INVESTORS AND DONORS TO ACHIEVE SCALE AND SUSTAINABILITY

For an SSE to be truly catalytic at the national level, it needs to achieve scale and sustainability. As highlighted by this study, most SSEs were seeded by philanthropic capital and were expected to achieve a degree of self-sufficiency over time by covering their operational costs through revenues. The most common sources of revenues were listing and transaction fees, both of which require a critical mass of transactions on the SSE.

However, insufficient demand for SSEs, leading to small user bases, fewer transactions and inadequate revenues, led to some SSEs' dissolution. Underlying this trend is the deeper lack of awareness and preparedness of investors and donors to engage with social organisations. SSEs will have to proactively generate demand and promote a culture of giving through various activities, such as investor/donor education, convenings, workshops, and large-scale campaigns. It is important to bring individual or small donors under the fold of SSE, despite smaller donations and higher costs, to ensure that the SSE concept gains wider acceptance.

Given that donors and investors may desire more say on where and how funds will be utilized, SSEs should strike a balance between providing choice and pooled funds that do not offer any flexibility or personalization.

## Recommendation 6

### IMPLEMENT A ROBUST MEASUREMENT AND REPORTING SYSTEM FOR SOCIAL/ ENVIRONMENTAL IMPACT

The absolute bedrock of the SSE concept is the ability to articulate, achieve and measure social and environmental impact. Impact measurement has been vehemently contested and can cover a range of activities from counting simple outputs, to not only measuring but using sophisticated models to attribute impact on beneficiaries' lives to a specific intervention. The balance would lie somewhere in between, with capturing changes in beneficiaries' lives and their perspectives being fundamental. Impact measurement tools must be selected on the basis of their relevance, objectivity and rigour while paying attention to the practicalities of time, cost and skill required. While it is



Particularly in a country as big as India, you need the resources to go out and take your story and your offering (of the SSE) to different regions and tap into events that are already happening.

John Elkington, expert on corporate responsibility and sustainable capitalism



desirable to adopt standardized benchmarks and frameworks that have achieved wider acceptability, these must be assessed on their relevance and maturity, with clear guidelines on how enterprises can plug the gaps in such frameworks.

The SSE may benefit from creating demand for more nuanced and in-depth impact reporting through its investor and investee educational activities. Ensuring that investors seek better impact reporting and are able to reward those who adhere to higher standards and demonstrate concrete impact on the ground either pressures or incentivizes investees to raise their collective standards. At the same time, showing investees how to integrate impact assessments into their program delivery and performance elevates the perception of impact assessment from a mere compliance checkbox to a solid quality and performance management tool. Given the mounting global concerns around ‘impact washing’ and ‘mission drift’<sup>39</sup>, transparent, honest and robust impact management and reporting stipulations are a core requirement for SSEs. That said, some flexibility should be built into the system to ensure that impact measurement and reporting are not overly burdensome, particularly for smaller non-profits, and that capacity-building and training resources continue to level the playing field.

## Recommendation 7

### ARTICULATE SSE'S OWN SUCCESS METRICS AND CONSCIOUSLY MEASURE IMPACT

While SSEs design or adopt frameworks to aid the impact measurement of organisations listed on their platform, they must also think about their own impact and articulate specific metrics that can be considered as yardsticks for measurement of success. Given the nature of their operations, an SSE has the potential to impact a country's private sector, civil society and communities across the ecosystem. However, this also translates to a need to understand the complexity of an SSE's own impact and frame comprehensive metrics. Unlike a conventional capital market stock exchange, an SSE cannot measure impact by just the quantum of funds raised or the number of organisations listed. It is recommended that SSEs categorise their impact through direct and indirect metrics. Direct impact metrics would include measurement of aspects such as the new quantum of money raised and the number of enterprises and projects listed (disaggregated by theme, size, region, etc.). Indirect impact metrics could include evaluating the country's progress on its development indicators, as an indirect but essential metric that speaks to the SSEs larger mission. A few such metrics include trust and confidence among various stakeholders, shifts in investor-donor attitudes, reduction in transaction costs, equity in civil society, and the quality of impact reporting by listed organisations.

Measuring impact reporting, progress and challenges at regular intervals can lend transparency and accountability to the operations of the SSE. However, the approach must not be rigid. SSEs must learn to evolve and adapt their operations and objectives, including their meaning of success, to reflect the integration of their work with the state of the larger ecosystem.

# VI. CONCLUSION

---

This report aims to capture some of the common characteristics and features of SSE models in different countries, in order to aid civil society and policymakers in other countries in their journey to understand and potentially institute impactful social stock exchanges. The study of the rise and fall of social stock exchanges across the world sheds light on the potential utility, as well as the pitfalls, of these relatively new mechanisms, and provides many additional considerations for the developers of India's proposed SSE.

While the SSE holds the promise of becoming an agent change for civil society, this change could be limited by a variety of factors, and could also have unintended consequences on the sector. While an SSE can theoretically unlock new capital, promote equity, introduce new instruments for donors to fund operations, streamline regulations and create an ecosystem of enabling frameworks for civil society, it also risks duplicating the operations of a conventional stock exchange, segmenting or further exacerbating inequalities within and between sectors, and failing to create a strong culture of giving. In order to truly fuel sustainable social impact, stakeholders must create a representative and participative mechanism that fully incorporates the concerns and wisdom of civil society and social organisations, while leveraging effective financial and institutional capacity. Above all, an SSE should be a means for the markets to serve the society; not for society to serve the markets.

# VII. COUNTRY SPECIFIC PROFILES OF SSEs

## A. Brazil – Bolsa de Valores Socioambientais (BVSA) or Socio-Environmental Investment Exchange

### HISTORY AND STRUCTURE



Bolsa de Valores (BVS)<sup>40</sup> was launched in 2003 by B3 (Brasil Bolsa Balcao i.e. Brazil's stock exchange)<sup>41</sup> as its Corporate Social Responsibility (CSR) initiative<sup>42</sup>. Its CEO, Edemir Pinto, emphasized that one of the reasons BVSA was developed was to acknowledge the role of the private sector in Brazil's social and environmental development<sup>43</sup>. The idea of creating BVSA was proposed by Celso Grecco, president of Atitude Social Marketing, one of the first corporate social responsibility and social marketing agencies in Brazil.

With the support of Atitude, BVSA was set up by B3 to leverage B3's expertise as a stock exchange, while broadening the reach of its CSR efforts, improving its public image, and increasing engagement with B3's conventional securities market<sup>44</sup>. BVSA functioned as a crowdfunding platform featuring pre-screened social and environmental projects. Its objective was to "act as a bridge between social and environmental organisations" and investors looking to support social impact on a platform that provided transparency<sup>45</sup>, and "to change a habit of charity into a culture of social investment"<sup>46</sup>.

B3 oversaw the online platform, processed all of the transactions, and absorbed operational costs, including those incurred by Atitude<sup>47</sup> and its network of specialists from the social sector, working to select, list, support and monitor projects<sup>48</sup>. Starting from 2015, Brazil Foundation, a non-profit philanthropic intermediary, began providing additional funding to projects listed on the BVSA<sup>49</sup>, as well as impact monitoring<sup>50</sup>.

According to B3's website, BVSA ended its operations in December 2018<sup>51</sup>; its official website is inaccessible<sup>52</sup>.

### REGULATION

BVSA was housed under B3<sup>53</sup>, overseen by a B3-appointed Board of Governors comprising representatives from UNICEF, UNESCO, the Brazilian government, and representatives from the education, environmental and cultural sectors of Brazil. The Board of Governors provided the final round of approval for projects that could be listed on the BVSA and evaluated the projects, performance, operations, and legal status of applicant organisations<sup>54</sup>.

BVSA was open only to non-profits. Non-profits in Brazil are not allowed to pay dividends to members of their organisation and can take the legal form of associations or

foundations<sup>3</sup>. BVSA held the right to interrupt or stop the transfer of funds to any projects whose parent organisation was found to be non-compliant with any government regulations or the Partnership Agreement signed by the participating organisation. In the case of non-compliance, the SSE could redirect funds raised for the defaulting organisation's project based on its Resource Allocation Rules.

#### LISTING CRITERIA AND PROCESS

Non-profit associations or foundations, legally registered for a minimum period of three years in Brazil and working towards social and/or environmental purposes, could apply with their projects if they were looking to raise between R \$ 30 thousand to R \$ 100 thousand (USD 5,644 to 18,816) on the BVSA. The following organisations were ineligible for the BVSA:

- Foundations or Associations maintained exclusively with public resources or administered by government agents
- Foundations or Associations maintained exclusively by only one company, group or private business foundation and
- Corporate foundations

BVSA conducted three project evaluation rounds per year and organisations were only allowed to list a single project per year. Separate units or branches of organisations with the same CNPJ (tax identification number of a business) or Corporate Name were also not allowed to list more than a single project a year. BVSA also listed projects looking to raise additional funding for activities that had already begun. If projects looking to list on BVSA had a fundraising mandate larger than R \$ 100, BVSA required them to verify that the additional funding had been raised before applying for selection.

During the selection process, projects were evaluated on the basis of the following criteria:

- The framework of the project relevant to BVSA themes ("health, education, literacy, citizenship, culture, education and training, psychosocial care and environment"<sup>55</sup>)
- Technical and financial feasibility of the project
- The project budget and cost/benefit ratio
- Capability and ability to replicate the project
- Innovative character of the project

---

<sup>3</sup> Non-profits that 'pursue public interest purposes such as work in the sectors of 'education, health and social assistance' can avail tax benefits.

- Organisation sustainability
- Qualification of the project's technical team
- Quality and results of projects and programs already implemented or under implementation by the organisation
- The accumulated knowledge of the organisation in the proposed action area
- Articulation of the organisation with other entities relevant to the success of the project
- Potential for impact on public policies<sup>56</sup>
- The relevance of the project for the achievement of the Millennium Development Goals and since 2016, the Sustainable Development Goals (SDGs)

#### DUE DILIGENCE PROCESS

Project selection occurred in four stages:

1. Organisations were required to fill out a registration form outlining the details of their project and the funds required;
2. BVSA's technical team conducted an in-depth analysis of the project and its framework based on the selection criteria;
3. Organisations with shortlisted projects were visited by BVSA's technical team;
4. Projects were evaluated by BVSA's Selection Committee<sup>57</sup>, comprising a managing director from B3, Superintendent from B3 Social Investment, and a member of the United Nations Development Program (UNDP)<sup>58</sup>.

Organisations who received final approval from the Selection Committee were required to sign a Partnership Term. Projects could be listed for a one-year period<sup>59</sup>. Organisations that were unable to raise their targeted amount of funding were evaluated by BVSA to determine whether they should receive the funds collected on their behalf. Organisations had to begin implementation of the project within 6 months of receiving the first instalment of funding (funding was provided to projects in 3 instalments), submit technical reports to BVSA every quarter, and share semi-annual reports of their activities as well as their listed project.

BVSA encouraged small non-profits with limited networks that catered to the needs of local communities<sup>60</sup> and those catering to children, adolescents, youth, the elderly, women, those with disabilities, "afro descendants, Indian people and traditional populations"<sup>61</sup> to apply.

Atitude conducted due diligence and also supported BVSA in monitoring the progress and fund utilization of listed projects. BVSA's technical team conducted regular mon-

itoring of listed projects through audits and site visits<sup>62</sup>. From 2015 onwards, Brazil-Foundation also conducted impact monitoring through project reports and site visits<sup>63</sup>.

#### DONOR/INVESTOR ENGAGEMENT

Investors could choose projects based on their thematic area, beneficiary group and location<sup>64</sup>. Retail and institutional investors were allowed to make donations to projects on BVSA through bank slips or card payments. To be able to invest they had to register themselves on BVSA's official website and create a "donation portfolio" for themselves<sup>65</sup>; they could also donate anonymously<sup>66</sup>. Project funding was divided into 'social shares', which interested investors could purchase at the cost of R\$1 (around US\$ 0.33) per share<sup>67</sup>, with a minimum donation of R \$ 20 for each project<sup>68</sup>.

International investors were also eligible to donate to projects on the BVSA<sup>69</sup>. All investors could only expect social and/or environmental returns on their investments, and could not transfer their social shares to anyone else or engage in secondary trading<sup>70</sup>. Incentives for investing in BVSA projects included assurance of the legitimacy of the project's impact objectives<sup>71</sup>, as well as tax benefits on 2% of their operating profit<sup>72</sup>.

BVSA provided investors with the option of investing in projects directly or with guidance from B3's brokerage firms offering "social broking" services. B3 also sent investors on its conventional securities market monthly information on 4-5 projects in which they could 'socially invest'<sup>73</sup>. Investors were able to track the progress of their projects through BVSA's website<sup>74</sup>. The technical team also provided progress reports to investors on a semi-annual basis, as well as a summary report of the project once it had been implemented<sup>75</sup>.

#### SERVICES PROVIDED BY THE SSE

BVSA publicized listed projects and provided their parent organisations with guidance on how they could publicize their own project. BVSA also provided organisations whose projects were listed with capacity-building services through Atitude, which focused on how to strengthen projects' impact, as well as how to write fundraising proposals. BVSA also facilitated knowledge-sharing among participating organisations.

#### IMPACT OF THE SSE

BVSA listed projects across sectors such as environment and education as well as some of the MDGs and SDGs. Projects related to SDGs such as climate action, health and gender equality projects have been featured on BVSA. In its 15 years of functioning, BVSA raised above R\$ 19 million (~\$3.6 million USD) for more than 188 projects from 200 civil society organisations<sup>76</sup>, with around 20 projects listed each year from all across Brazil<sup>77</sup>. Notably, projects listed on BVSA have also gone on to shape public policy in Brazil. For instance, a project implementing a small-claims court for favela residents has been replicated across 14 states in Brazil<sup>78</sup>, while another project influenced public policy across hospitals in Rio de Janeiro<sup>79</sup>.

A study assessing the characteristics of 66 projects listed on BVSA in 2012 found that 53% of the listed projects were executed in the countryside, while 47% were conducted in the capital. 81.8% of projects had a regional reach, while 18.2% of projects were national. The majority of the projects listed targeted Brazil's youth (39%) and children (21%), while 18.2% targeted Brazil's general population, 7.6% focused on those with disabilities, 4.5% targeted the indigenous population and the remaining were focused on women (3%) and afro-descendants (3%).

BVSA's impact went beyond its projects. It introduced a new lexicon of terminology such as 'social shares' and 'social investment' and also provided a common platform, bridging "the divide between investors and NGOs, business and the community, the rich and poor" and thus promoting "a more inclusive approach to social development, and advance[ing] a culture of social inclusion in Brazil". BVSA also positively influenced Brazilian society's impression of the Brazilian stock exchange B3<sup>80</sup>.

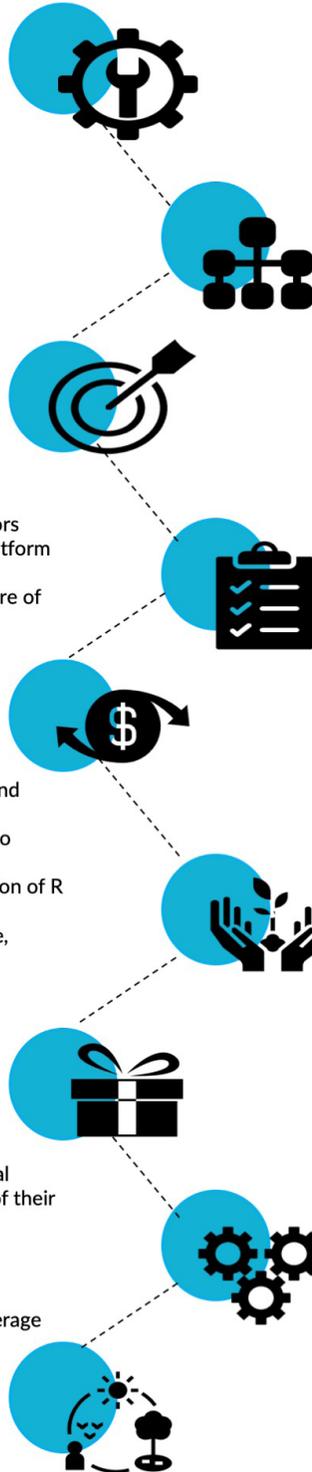


# Brazil's Social Stock Exchange: Bolsa de Valores Socioambientais (BVSA)



## Profile of the institution

- Year of launch: 2003
- Status: Closed operations in December 2018
- Developed by Brazil's stock exchange as its CSR initiative, supported by Celso Grecco and his private company, Atitude Social Marketing and BrazilFoundation (non-profit intermediary) from 2015



## Main objectives of the SSE

- 'To act as a bridge between social and environmental organisations and investors looking to support social impact on a platform that provides transparency'
- 'To change a habit of charity into a culture of social investment'

## Investor engagement

- Retail and institutional investors, local and international
- Funding required by projects divided into 'social shares'
- Investors could make a minimum donation of R \$ 20 for each project
- Investors could select projects by theme, beneficiary group and location

## Services provided by the SSE

For investees:

- Capacity building: guidance on proposal writing and strengthening the impact of their project
- Networking opportunities

For investors:

- Social broking services from 120 brokerage firms associated with B3

## Structure of the SSE

- Housed under Brazilian stock exchange
- Served as a crowdfunding platform for screened social and environmental projects
- Listed 20 projects a year, with each project featured for one year

## Types of investees listed

- Investees required to:
  - Be non-profit associations or foundations, legally registered for a minimum period of 3 years in Brazil
  - Be applying to list a project focused on social and/or environmental purposes
  - Be looking to raise between R \$ 30 thousand to R \$ 100 thousand on BVSA

## Expected returns

- Social and/or environmental returns

## Impact

- Cause areas targeted and number of projects (2018):
  - Livelihood and skills 3
  - Education: 3
  - Physical health: 1
  - Disability: 2
  - Environment: 4
  - Prevention of violence against women: 2
  - Advocacy: 2
  - Marginalised communities: 1
  - Inclusion of immigrants: 1
  - Art: 1
- Quantum of funds raised (2003-2018): Above R \$19 million
- Number of projects (2018): 20

## B. Canada – Social Venture Connexion (SVX) – Invest for Impact

### HISTORY AND STRUCTURE



Social Venture Connexion (SVX) launched in 2013<sup>81</sup>, founded by Adam Spence<sup>82</sup> (present CEO of SVX) and developed under MaRS Discovery District<sup>83</sup>. It has been an independent non-profit organisation since 2019 and is still in operation today. The SVX was formulated to address social organisations' need for sustainable capital beyond grants and a supportive social innovation landscape across sectors. SVX's objective is to "create a market for good"<sup>84</sup> and to "break the cycle of poverty, create opportunity and build environmental sustainability" while supporting ventures addressing these issues<sup>85</sup>. SVX aims to do this through its "local, impact-first platform connecting impact ventures, funds, and investors in order to catalyze new debt and equity investment capital for local ventures that have demonstrable social and/or environmental impact"<sup>86</sup>. Over the past decade, the organisation has evolved into a diversified financial services firm, with additional services alongside its platform including venture and investor education programs, capital and investment advisory supports, and fund design and management offerings.

SVX was formed with support from cross-sectoral partners such as the TMX Group, the parent company of Toronto's stock exchange, which provided financial support, guidance on policy, and platform regulations, and helped shape SVX's listing criteria, as well as the Government of Ontario, which endorsed SVX under its 2008 Poverty Reduction Strategy, provided resources as well as political leadership, and worked with SVX on its social enterprise strategy<sup>87</sup>. A variety of other organisations such as Torys LLP, KPMG, Royal Bank of Canada, Rockefeller Foundation<sup>88</sup>, the J.W. McConnell Family Foundation<sup>89</sup>, VERGE Capital, Tides Canada, and Genus Capital Management also supported SVX<sup>90</sup>.

In 2013, SVX was only accessible in Ontario but has since scaled its operations to Quebec, British Columbia, Alberta, Saskatchewan and has established partnerships and launched partnerships to build local operations in Mexico (2015) and the US (2018). In 2019, SVX undertook research and engagement efforts to understand possibilities surrounding impact investing and SVX in Colombia<sup>91</sup>.

SVX hosts issuers from a variety of sectors starting from sustainable and clean technologies, innovations surrounding education, job creation, health care, sustainable food and agriculture and social inclusion.

SVX runs its operations using funding acquired through grants and revenue earned through admissions fees charged to issuers, advisory services, fees charged to investors for events hosted by SVX, and fees for the use of the SVX franchise<sup>92</sup>. SVX charges issuers 5% of each transaction below CAD 10,000 and 2% for transactions beyond that amount<sup>93</sup>.

## REGULATORY REQUIREMENTS

SVX has a self-governing board of six (6) members representing the field of finance and social finance which meets on a quarterly basis, and an internal and external review committee<sup>94</sup>. It is a registered Exempt Market Dealer (a segment of Canada's capital markets where securities can be sold without the protections associated with a prospectus) in the provinces of Ontario, Quebec, Alberta, British Columbia, Saskatchewan, and Manitoba. SVX reports to the Ontario Securities Commission, which examines its financial statements and working capital to ensure compliance with the OSC requirements. SVX is required to report any business changes to the OSC on an ongoing basis<sup>95</sup>.

In order to reduce the chance of an investor being exposed to conflicts of interest, the SVX and its dealing representatives do not undertake activities such as buying or selling securities, settling trades, holding assets, or underwriting issuers.

All social organisations applying to SVX are required to follow the laws relevant to their legal form and Canadian province. Non-profits commonly form as corporations without shares, trusts, or unincorporated organisations or associations. Non-profits can be required to pay income tax if they generate profits, and gifts to non-profits do not qualify for tax relief. Charities are distinguished from non-profits in Canada in that they are not required to pay income tax and that gifts to registered charities *can* qualify for tax relief. For-profit organisations are required to register under the Canada Business Corporations Act, which requires the payment of income taxes and allows the issuing of shares<sup>96</sup>. In 2012 British Columbia also introduced a legal framework recognising for-profit social enterprises as "Community Contribution Companies (CIC's)"- another allowed form on SVX<sup>97</sup>.

## LISTING CRITERIA AND PROCESS

Canadian incorporated non-profit organisations, for-profit organisations, cooperatives and charitable organisations with a social and/or environmental mission as part of their core purpose, based in Ontario, Quebec, Alberta, British Columbia and Saskatchewan, are eligible to apply to be issuers on SVX<sup>98</sup>. SVX's Investor Manual explains that SVX is an appropriate fit for non-profits looking for a blended approach to financing their efforts through "promissory notes, loans, loan guarantees and mortgages" and for-profit organisations<sup>99</sup>.

SVX selects ventures, funds, and organisations that:

- have an operating history of at least one year;
- are at the start-up, growth or scaling stage, looking to raise CAD 1 million to CAD 100 million through investments<sup>100</sup>;
- possess "existing revenue, customers, and/or investment";
- work in the sectors of "clean technology, work and learning, health and well-

ness, food and social inclusion”;

- have a “business plan that demonstrates (an) understanding of long-term finances, operations and strategy”;
- have leadership with experience and expertise in the relevant impact area;
- have management that “is coachable and responsive to feedback”;
- have the potential to scale their impact to be deep (impacting a community/group of people) or wide (impacting numerous people at a local or national level);
- “are sustainable with reasonable profitability”;
- meet the “industry requirements of investment offering exemptions by securities regulators in Canada” where applicable<sup>101</sup>.

In the case of for-profit organisations, SVX lists those that have a revenue stream of between CAD 50,000- CAD 25 million<sup>102</sup>, have a score between 80-100 on the GIIRS (Global Impact Investing Rating System)<sup>4</sup> or a score of 80 on the B Impact Assessment or are a certified B Corporation<sup>103</sup> and meet the above-mentioned eligibility criteria.

While SVX selects issuers whose activities are executed with the intention of creating direct impact, it also works with companies that display consciousness about the ecosystem in which they exist and “aim to use responsible principles in their procurement, production, distribution channels, environmental footprint, worker rights, and community” and intend to improve existing conditions, even if they “may not have impact objectives as the driving force of the company”.

Applicants for the SVX have to pay between CAD 2,500- CAD 10,000 for their application to be reviewed and provide financial statements, articles of incorporation, a term sheet, background check forms, and business references.

#### DUE DILIGENCE PROCESS

SVX’s team is the first to vet applicants as ‘viable investment products’ by reviewing their financial details, business model, members of their team, offering materials, and other material they would like to share with investors. Following the completion of an Executive Summary by an analyst to meet Know Your Product (KYP) requirements as outlined in local securities regulations, the shortlisted applicants are assessed by the independent issuer review committee, comprising experts and investors. This committee is modelled on the listings committee of a traditional stock exchange. Once the issuer review committee completes its review, the team carries out background checks of the organisations’ directors and senior executives.

---

<sup>4</sup> GIIRS is an agency that provides impact ratings of funds and companies for impact investors

Those who make it to this stage have their details reviewed by the executive review committee for approval to complete a final compliance check by senior management. SVX can request further information at this time before final approval on the platform. Applicants who are accepted can decide when they want their offering to go live.

In line with local securities regulations, issuers relying on crowdfunding have to raise funds within 90 days, and can raise a maximum of CAD1.5 million per year. Those raising capital through equity financing are required to issue shares with limited liability; there is no upper limit on the amount of funds that can be raised via offering memorandum or private placement campaign. If an issuer's fundraising campaign is unsuccessful in meeting its target, the funds that have been raised are returned to the investors. Issuers can either re-launch their campaign or request an extension of their campaign period from all of their investors<sup>104</sup>.

Being an issuer on SVX opens doors to a community of like-minded investors who have a social and/or environmental impact investment focus. It also decreases the cost of raising capital and provides the opportunity to offer private placements to accredited investors<sup>105</sup>.

#### REPORTING

Issuers on SVX are required to sign an Issuer Agreement, which mandates certain requirements such as providing annually updated impact reports utilising the Global Impact Reporting and Investment Standards (GIIRS), B Impact Assessment standards, or internal impact reporting metrics (including quantitative information such as the amount of reduction in emissions and number of jobs created, in a manner that can be verified by the issuer themselves or an external party). SVX also recommends that issuers use frameworks to manage their impact, such as Theory of Change frameworks and systems such as Bridges Impact+.

Reporting requirements vary based on province and type of offering. Issuers offering crowdfunding and memorandum exemptions have to provide investors with financial statements on a yearly basis, complete a 'Use of Proceeds' report on how funds were utilised, and share information on key events that have taken place<sup>106</sup>.

For exempt securities, issuers are required to provide a subscription agreement and share certificate(s) to each investor. Issuers are required to inform their investors in Ontario of any discontinuations of business, changes in the industry, or changes in the issuer's control.

#### DONOR/INVESTOR ENGAGEMENT

Due to alterations in Canada's regulations in 2016 allowing retail investors to participate in equity crowdfunding<sup>107</sup>, both institutional and retail investors have been allowed to invest on SVX, while previously only accredited investors (those financially sophisticated to purchase securities without a prospectus<sup>108</sup>) were allowed to invest. Investment

opportunities are restricted to investors who are residents of Ontario, Quebec, Alberta, British Columbia or Saskatchewan.

To be able to invest in private offerings on the platform, individual or corporate investors have to meet any of the following requirements:

- a net income before taxes which exceeds CAD 200,000 (or CAD 300,000 combined income with a spouse) in each of the two most recent years and a reasonable expectation to exceed that net income in the current year
- at least CAD 1 million in liquid financial assets (cash and securities) before taxes. (In calculating an individual's financial assets, any outstanding loans incurred to acquire those assets must be deducted.)
- at least CAD 5 million in net assets<sup>109</sup>

Restrictions on the type of investment that can be made are dependent on investor status (retail or accredited). In the case of crowdfunding investments in a calendar year:

- Any investor can invest up to CAD 2,500 per offering and CAD 10,000 (Ontario only) in total;
- An accredited investor can invest up to CAD 25,000 per offering and CAD 50,000 (Ontario only) in total;
- Permitted clients do not have any limits.

In the case of Offering Memorandum (OM) investments within a 12-month period:

- A retail investor can invest up to CAD 10,000 per offering;
- An eligible investor can invest up to CAD 30,000 per offering;
- An eligible investor can invest up to CAD 100,000 per offering if they receive advice that a particular investment is suitable.

Only accredited investors who meet the suitability criteria can access private placement investments, and do not have to follow any investment limits<sup>110</sup>. Accredited investors are required to recertify their eligibility on an annual basis and are also required to inform SVX of any changes that impact their status as an investor.

Investors can expect the following returns as per the type of product they have invested in:

- Fixed income products: Returns will be received as per pre-established instalments and the principal invested will be returned once the time period elapses
- Direct equity products: Equity shares of the company can be sold on the open market if the company is acquired or goes public

- Funds: Returns will be received based on the fund's performance and the contract agreement

SVX is a primary offering platform that does not allow for secondary trading activities<sup>111</sup>. Investors are provided with the choice of investing in a wide variety of opportunities (issued by for-profit organisations, non-profit organisations and charities) and are not required to pay any fees to access SVX. Investors can utilise SVX's feature of a 'Deal Room' to correspond directly and privately with issuers. Investors can also make use of the numerous opportunities and events organised (such as 'Investor Breakfasts' and 'Pitch Sessions') by SVX to interact with other investors and issuers<sup>112</sup>.

#### SERVICES PROVIDED BY THE SSE

For issuers, SVX actively generates visibility among its investor network about issuer's offerings, provides fund tracking services, provides updates on investments, and helps issuers manage their cap table and list of investors<sup>113</sup>. SVX also provides capacity-building services to potential issuers through in-person events and programs such as the 'SVX Pre-Flight Bootcamp', a six-week program focused on accelerating social and environmental businesses<sup>114</sup>.

In 2019, SVX held a 'Sustainable Food and Agritech Accelerator' where entrepreneurs were provided with guidance on navigating investment pitches and identifying sources they could tap for capital, as well as the opportunity to receive investments<sup>115</sup>. It is also a partner in the Women of Ontario Social Enterprise Network (WOSEN), delivering educational programs to women-led and women serving businesses<sup>116</sup>. SVX also provides issuers with advisory services on how to structure, design and build out their offerings to help them take their offerings to market<sup>117</sup>. It is a co-owner of a place-based impact investing fund, and is currently scaling its fund design and management operations with partners in other regions across the country.

Investors on SVX can avail portfolio management services through SVX's Impact Investment Counsel, a partnership with Genus Capital Management. SVX also holds investment readiness programs offline and online to build the capacity of impact investors, including programs such as their All-in Impact Gathering <sup>5</sup>. Investors can also network and engage with other investors through various events hosted by SVX. SVX has a protocol in place to engage and resolve any complaints raised by investors or issuers<sup>118</sup>.

---

<sup>5</sup> During SVX's Pre-Day Investor Sessions in 2019, investors could attend the 'Impact Investing 101 Track' for first-timers or attend the 'Experienced Track' for more seasoned investors

## IMPACT SO FAR

SVX has mobilised CAD 150 million for more than 100 issuers according to its official website as of 2020. As of early November 2020, there are 14 offerings on SVX<sup>119</sup>. Its impact investing education and training programs<sup>120</sup> have reached over 10,000 Canadians, and its investment readiness programs have reached more than 350 ventures<sup>121</sup>.

In 2015, the greatest number of investments on SVX were made in clean technology<sup>122</sup>. SVX has helped create products such as a CAD 5 million+ community bond for the Immigrant Access Fund (IAF) in 2017 which supports immigrants in need in Canada by providing them with loans, co-created the VERGE Capital Fund for local organisations and enterprises in Southwestern Ontario, and designed a Northern Impact Fund to provide support to entrepreneurs from indigenous communities<sup>123</sup>.

To aid the socio-economic recovery of individuals and enterprises after COVID-19 hit Canada, SVX leveraged and grew its Scaling Impact Network, a collaborative of place-based intermediaries, foundations, and other stakeholders working together to support those impacted by the pandemic and to build a more resilient community capital ecosystem<sup>124</sup>. SVX also has plans to incorporate diversity, equality and inclusion training and practices within its ecosystem as well as investment readiness programs<sup>125</sup>.



# Canada's Social Stock Exchange: Social Venture Connexion (SVX)



## Profile of the institution

- Year of launch: 2013
- Status: Active
- Developed by MaRS Discovery District
- Supported by the TMX Group (parent company of Toronto's stock exchange), the Government of Ontario, and other partners

## Main objectives of the SSE

- To break the cycle of poverty, create opportunity and build environmental sustainability through its local, impact-first platform
- To provide organisations with a social purpose access to capital, decrease the cost of raising capital, the opportunity to scale their solutions

## Investor engagement

- Retail and institutional investors from specific Canadian provinces
- Type of allowed investments depends on investor status (retail or accredited)

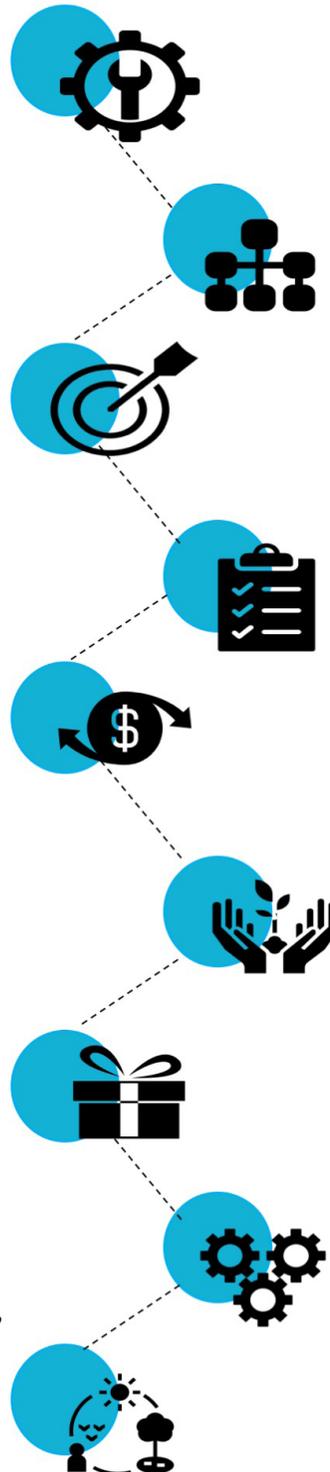
## Services provided by the SSE

SVX provided networking events for investor and issuers

- Capacity building and advisory services for potential issuers through 'SVX Pre-flight Bootcamps'

For investors:

- 'Investment Readiness Programs'
- Investment tracking services
- Portfolio management services



## Structure of the SSE

- Independent (since 2019) non-profit organisation
- Registered as an exempt market dealer in the provinces of Ontario, Quebec, Alberta, British Columbia, Saskatchewan and Manitoba

## Types of investees listed

- Non-profit, for-profit and charitable organisations, cooperatives with a social and/or environmental mission as part of their core purpose, incorporated and based in specific Canadian provinces who, among other criteria:
  1. Have an operating history of a minimum of one year;
  2. Are at the start-up, growth or scaling stage, looking to raise \$100,000 to \$10 million;
  3. Possess 'existing revenue, customers, and/or investment';
  4. Are sustainable with reasonable profitability;
  5. Meet the industry requirements of investments offering exemptions by securities regulators in Canada, where applicable
- For-profit organisations with a score of 80 on the B Impact Assessment or those who are a certified B Corporation

## Expected returns

- Social and/or environmental returns for all investors
- Financial returns depending on the type and performance of the financial product

## Impact so far

- Cause areas targeted and number of offerings:
  - Livelihoods and skilling: 3
  - Education: 3
  - Rehabilitation: 1
  - Environment: 6
  - Affordable housing: 1
  - Financial inclusion: 1
- Total quantum of funds raised: CAD 150 million (2020)
- Number of offerings listed: 14 (2020)

## C. Jamaica Social Stock Exchange (JSSE)

### HISTORY AND STRUCTURE



The Jamaica Stock Exchange (JSE) launched the Jamaica Social Stock Exchange (JSSE) in 2019<sup>126</sup>. This initiative was developed as a Corporate Social Responsibility (CSR) activity of the JSE to promote the mobilization of capital for social sector organisations<sup>127</sup> through two new social capital markets of the JSSE – the Jamaica Social Investment Market (JSIM) for listing projects by non-profits, and the Jamaica Impact Investment Market (JIIM) for social enterprises; operating on one common platform. The primary objective of the JSSE is that of facilitating sustainability in the sector and ultimately to see the development of the Fourth Sector of the Jamaican economy through the development of sustainable social enterprises.

The JSSE has received the support of the Inter-American Bank (IDB)<sup>128</sup> under the ‘Innovating Social Finance’ project, jointly sponsored by the JSE and the IDB, who have provided USD 910,000.

The project seeks to address the challenges faced by social sector organisations in raising financial resources. The beneficiaries of this project will be (i) 150 social sector organisations including churches, foundations, NGOs and social enterprises, many of which are headed by female social entrepreneurs; and (ii) 10,000 poor and vulnerable persons benefiting from social projects in Jamaica.

A close working relationship now exists between the JSSE and the Government of Jamaica, through the Ministry of Industry, Investment & Commerce (MIIC) and the Planning Institute of Jamaica, in creating a framework for social enterprises to be listed on the Jamaica Impact Investment Market (JIIM).

Over the last 80 years and until present day, Jamaica’s social sector funding landscape has been largely dependent on a culture of donations and volunteerism. For social organisations, this has not created an environment conducive to sustainability and self-sufficiency. These challenges have shaped the Jamaica Social Stock Exchange (JSSE)’s mission to “create a fair, efficient and transparent medium that enables long term sustainability of the social sector by facilitating increased access, social and economic inclusion, and greater equity”, with the ultimate goal of achieving a balance between Jamaica’s social and economic development, expressed in its vision, “to assist Jamaica in developing a robust and sustainable social sector by 2030, through the creation of a platform which attracts widespread participation in Jamaica’s social economy”.

Thus, the Jamaica Social Stock Exchange (JSSE) aims to enable an ecosystem of support for organisations intent on solving socio-economic, environmental and cultural challenges in Jamaica<sup>129</sup>. Additionally, the JSSE looks to further Jamaica’s attainment of the Sustainable Development Goals (SDGs) by focusing on the 3 P’s of People, Prosperity, and Partnership<sup>130</sup>.

The JSSE believes and proposes that “sustainable growth in the social sector is good for business”. It is this core belief that underpins the desire to see the engagement of the entire Jamaican economy in developing and promoting a social capital market with the following pillars:

- Assist Jamaica to achieve balanced economic and social development.
- Provide the opportunity for listed companies to maximize the value of their Corporate Social Responsibility (CSR).
- Provide individuals with the opportunity to increase the impact of their contributions to the social development of Jamaica.
- Facilitate international development institutions in adding value to the social dimension of Jamaica’s development.

The JSSE has two distinct markets -

- Jamaica Social Investment Market (JSIM) - launched as the first phase of JSSE, this market enables non-profit organisations<sup>131</sup> to list their projects. It has been active since 2019, and as of early-November 2020, 9 projects have been selected and 1 has been listed. The JSIM functions as a crowdfunding market, where each listed project can raise between \$5-\$25 million. In its current form, donors do not receive any financial returns for their contributions.
- Jamaica Impact Investment Market (JIIM) - initiation of the JIIM is part of the second phase of JSSE’s launch and is awaiting legislative approval<sup>132</sup>. Unlike JSIM, JIIM will facilitate financial returns for donors through listings from a pool of social impact companies, which will also be listed on the JSE’s Junior Market.

In order to put in place a revenue model that is self-sustaining, the JSSE retains 10% of the funds raised by each project listed on it. The initial funding is being provided by philanthropic capital from the JSE and Inter-American Development Bank (IDB).

#### REGULATION

The JSSE is an independent incorporated company, registered under the Companies Act of Jamaica. It has its own board and a Selecting and Listing Committee (SLC), consisting of multi-stakeholder representatives including academics and those with an understanding of the social sector of Jamaica, who are responsible for selecting and listing organisations and their projects<sup>133</sup>. Projects listed on the JSIM must submit quarterly progress reports throughout the duration they are listed<sup>134</sup>. JSSE is housed under and is a subsidiary of the Jamaica Stock Exchange (JSE).

Non-profit organisations applying for their projects to be listed on the JSSE have to

comply with The Charities Act, 2013 of Jamaica or the Rules for Co-operatives and Benevolent Societies governed by the Department of Co-operatives and Friendly Societies (DCFS). Both require all organisations registered as charities to either be charitable trusts or institutions that have been established for not-for-profit purposes, functioning for the benefit of communities while ensuring that their funds or assets are not utilised for the private purposes of any member of the board, organisation or any individual. Organisations registered under this Act are exempt from paying taxes<sup>135</sup>. International organisations seeking to list on the JSSE would have to request incorporation with the Companies Office of Jamaica before applying to be a legally verified charity in Jamaica, after which their projects could be considered by the JSSE<sup>136</sup>.

At present Jamaica does not have formal legislation recognizing social enterprises, but efforts to encourage the government to provide legal status to social enterprises are underway. If successful, they will allow for social enterprises to apply to be registered on the JSSE. This legislation proposes to embed strong measures to protect the social mission and thus ownership rights of enterprises through the following two legal forms:

- Company Limited by Guarantee without Share Capital: Social enterprises where up to 100% of their surplus are reinvested into the mission;
- Company Limited by Guarantee with Share Capital: Social enterprises where a minimum of 51% of the ownership of the enterprise is retained while 49% can be put up for equity investment.

#### LISTING CRITERIA AND PROCESS

The JSSE has a specific committee – the Selecting and Listing Committee (SLC) – dedicated to overseeing the listing and selection of organisations and their projects. Non-profit organisations are eligible to apply to the JSIM (Jamaica Social Investment Market), while social impact companies can apply to be listed on the JIIM (Jamaica Impact Investment Market) once it is operational. All applicants have to be locally registered with the Companies Office of Jamaica. All applicants must have a social or environmental mission, and impact companies applying to be listed on the JIIM must have a financially viable, sustainable business model. The organisation must provide bank statements, tax identification number, identification proof and be audited by a third party<sup>137</sup>. It must submit a summary, incorporating the expected social impact, sustainability, amount of funding requested as well as the details of the project leads and who will be monitoring progress<sup>138</sup>.

Projects are evaluated on the basis of the problem they are attempting to solve, the offered solutions, project staff, the required resources, potential impact of strategy and track record of success, the alignment of goals with those of their donors and investors and value propositions for beneficiaries and donors/investors. The selection process has five stages, including a site visit. Projects that are declared eligible will have to raise 10% of the required funds themselves<sup>139</sup>.

## DONOR/INVESTOR ENGAGEMENT

The JSSE engages both institutional and retail investors, including individuals who wish to invest in social and environmental causes while supporting local entities in Jamaica. To donate or invest, investors must fill out an online form<sup>140</sup> on the official website<sup>141</sup> and use a local bank for direct bank transfer or any major credit card or a PayPal account. International donors and investors are eligible as well. The JSE is also attempting to engage the Jamaican diaspora with the JSSE<sup>142</sup>.

Donors can choose to make donations specifically to certain projects or can make general donations, which will be assigned to projects by the JSSE. During the first phase, donors only receive social returns on investments; in the second phase, investors can expect to receive financial returns in the form of dividends or an appreciation of share values from their investments<sup>143</sup>.

Donors are incentivized by the transparent environment created by the auditing and reporting requirements that listees have to follow. Companies are incentivised as the JSSE provides the opportunity to showcase their Corporate Social Responsibility (CSR) initiatives. The proposed legislative framework to formalise social enterprises is also attempting to include mechanisms to provide tax benefits to individuals and institutions donating or investing in social enterprises.

## SERVICES PROVIDED BY THE SSE

While the JSSE monitors the manner in which projects utilise their allotted funds, they also provide them with capacity-building services to increase their long-term ability to attract funding. JSSE helps organisations improve their governance and management structures so that they are able to augment organisational capability and accountability, achieve project goals, and strengthen their communication<sup>144</sup>. The JSSE is also examining the ability of organisations to market their projects in a manner that will attract interest from donors.

The Inter-American Development Bank's (IDB) agreement with the JSSE aims to increase the number of organisations that are able to list and thus benefit from these helpful services<sup>145</sup>. The IDB aims to determine capacity gaps by conducting training needs assessments of social sector organisations. Once the needs are understood, training programs will be developed which can be accessed through the JSE E-Campus platform. Technical assistance in matters such as drawing up financial statements, making use of impact measurements, guidance on attracting donors and meeting JSSE's reporting requirements will also be provided.

## IMPACT SO FAR

Projects listed on the JSSE have fallen within the ambit of health, environment and social development, including providing employment to people with disabilities (initiated by Deaf Can!), preventing suicide and providing counselling (initiated by Choose Life International), vocational instruction in music as well as community-oriented music programs (initiated by the Alpha School of Music)<sup>146</sup>, as well as community-transformation through the monetization of musical heritage (JaMIN/AIR). Four projects have been successful in raising all the funds they required (JAD\$ 25,500,000 or USD 175,887)<sup>147</sup>. As of December 2020, nine projects featured on JSSE have raised a total of JAD\$ 34,809,761 or USD 240,103<sup>148</sup>. The social stock exchange has also been instrumental in raising money for COVID-19 relief funds aimed at repairing ventilators and providing support to Micro, Small and Medium Enterprises (MSMEs)<sup>149</sup>.

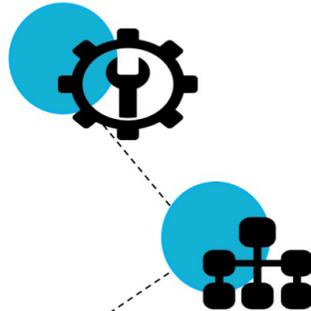


# Jamaica Social Stock Exchange (JSSE)



## Profile of the institution

- Year of establishment: 2019
- Status: Active
- Developed as the CSR initiative of the Jamaica Stock Exchange, supported by the Inter-American Development Bank (IDB)

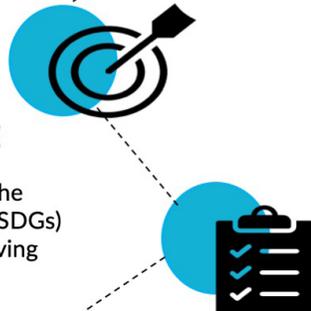


## Structure of the SSE

- Phase I: Jamaica Social Investment Market, where donors will receive only social returns on investment
- Phase II: Jamaica Impact Investment Market (JIIM), which is currently awaiting legal approval, where investors will receive financial returns in addition to social returns

## Main objectives of the SSE

- Further Jamaica's attainment of the Sustainable Development Goals (SDGs)
- Encourage social giving by improving transparency of funds utilisation

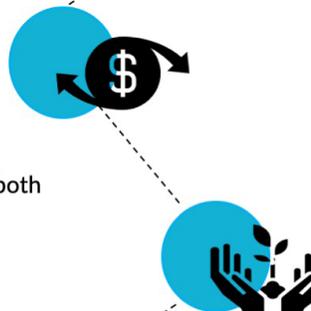


## Types of investees listed

- Phase I: Projects from non-profits (registered under the Charity Law of Jamaica)
- Phase II: Social impact enterprises (registered at the Companies Office of Jamaica)
- Only locally registered organisations with a social and/or environmental mission allowed to apply

## Investor engagement

- Retail and institutional investors, both local and international



## Expected returns

- Social impact as return on investment
- Financial returns in Phase II

## Services provided by the SSE

- Capacity building for investees: improving governance and communication abilities



## Impact so far

- Cause areas targeted and number of projects:
  - Mental health: 1
  - People with disabilities: 1
  - Livelihoods: 1
  - Education: 1
  - Rehabilitation: 1
  - Affordable housing: 1
  - Covid-19 relief: 1
  - Others: 2
- Total quantum of funds raised: USD 240,103
- Number of projects listed: 9

## D. Portugal – Bolsa de Valores Sociais (BVS)

### HISTORY AND STRUCTURE



Bolsa de Valores Sociais (BVS), also referred to as the Portuguese Social Stock Exchange or the VHL<sup>150</sup>, launched in 2009<sup>151</sup> as a platform that “liberates the country from poverty and exclusion, rather than just remedying it”<sup>152</sup>. BVS was modelled after Brazil’s SSE (BVSA), launched in 2003<sup>153</sup>, and was co-founded by Atitude, the same CSR marketing firm that developed BVSA. The founder of Atitude, Celso Grecco, collaborated with a local team of specialists in areas such as poverty alleviation, environmental causes and sustainability in Portugal to set up BVS<sup>154</sup>.

Other founders of BVS include the Gulbenkian Foundation, EDP Foundation and Euronext Lisbon<sup>155</sup>, who bore the costs of operation, along with Caixa Geral de Depósito, a Portuguese state bank<sup>156</sup>. Atitude<sup>157</sup> and EDP Foundation’s Social Innovation undertaking, the VHL Association for the Sustainable Financing of Social Impact<sup>158</sup>, shared establishment and management roles.

BVS aimed to facilitate matching carefully selected civil society organisations, with relevant work and proven results in the field of Education and Entrepreneurship, with social investors willing to support these organisations and their mission financially<sup>159</sup>. Its mission included encouraging a culture of investments generating “social profits”, as compared to philanthropy or charity<sup>160</sup>, as well as promoting private sector investment and involvement<sup>161</sup>.

BVS’s official website<sup>162</sup> is no longer accessible. Commentators have noted that BVS did not succeed in taking off<sup>163</sup>.

### REGULATION

Portugal requires non-profit organisations to be registered as Private Institutions of Social Solidarity (IPSS)<sup>6</sup>.

### LISTING CRITERIA AND PROCESS

Portuguese non-profit organisations such as Non-Governmental Organisations (NGOs) and Non-Governmental Associations and Cooperatives were eligible to apply to BVS<sup>164</sup>. Projects needed to meet the following requirements:

1. Act on the root cause of an issue and not on its consequences, and have already begun taking action on a societal problem in Portugal;
2. Be administered by the applicant non-profit; and,
3. Be administered by an organisation strongly committed to maintaining transparent reporting and governance<sup>165</sup>.

<sup>6</sup> IPSS institutions are ‘created by private initiative, with the purpose of giving organised expression to the moral duty of solidarity and justice between individuals and they are not administered by the State or a local government body to proceed among others, their goals, through the provision of goods and services’.

## DUE DILIGENCE PROCESS

Technical specialists from BVS screened project applications through a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis<sup>166</sup> based on the project details shared as well as site visits<sup>167</sup>. The projects were evaluated for innovation, scaling potential, replicability, financial feasibility<sup>168</sup>, sustainability, implementation and impact capacity<sup>169</sup> by the final approval committee, comprising representatives of the founders, before they were listed on BVS<sup>170</sup> for two years<sup>171</sup>.

Organisations were required to maintain transparency by providing project financial and technical reports and to report their progress on BVS's website on a regular basis. If organisations were not compliant or unable to provide the required documentation, projects and funding were suspended<sup>172</sup>.

## DONOR/INVESTOR ENGAGEMENT

Both retail and institutional donors were permitted to make investments on BVS by buying 'social shares' of the projects of their choice. Investors were required to purchase 10 shares minimum, with each share costing one euro. BVS did not charge a commission on investments, distributing funds in their entirety to listed projects<sup>173</sup>. Donors could keep tabs on the projects they supported by tracking the project accounts and finances on BVS's website<sup>174</sup>.

Despite only receiving social returns for their contributions to projects, donors were nevertheless incentivized to engage with BVS as it allowed them to channel funds earmarked for corporate philanthropy purposes, with the assurance that BVS projects were thoroughly vetted and chosen through a highly selective process<sup>175</sup>. BVS significantly lessened donor costs around due diligence and project identification, while also allowing corporate donors to use their association with BVS in marketing campaigns<sup>176</sup> and enjoy certain tax benefits<sup>177</sup>.

## SERVICES PROVIDED BY THE SSE

BVS offered capacity-building services such as guidance in drafting investment and business plans, administrative organisation and strengthening financial reporting and accountability systems<sup>178</sup>.

## IMPACT OF THE SSE

There were 26 projects listed on BVS in 2015<sup>179</sup>. BVS focused on poverty alleviation, health care, the inclusion of vulnerable people, education and social entrepreneurship, citizenship and strengthening institutions<sup>180</sup>. Studies assessing cause areas, target groups and the scope of projects on BVS were published in English in 2012<sup>181</sup>, 2013<sup>182</sup> and 2016<sup>183</sup> (analysing 31, 30 and 24 projects respectively). According to the 2013 study, BVS involved more non-profits based in the capital city (63.3%) versus those in the coun-

tryside (36%)<sup>7</sup>. BVS seems to have increased Portugal's social sector's outreach to communities and individuals otherwise out of the scope of government or private sector efforts. In 2016, 25% of projects listed on BVS were targeting areas that had previously not been engaged with by the state or corporate entities<sup>184</sup>.

By 2013, BVS had raised 2 million euros for its projects. Despite some success in expanding the social sector's reach in Portugal, BVS was unable to raise the funds needed to achieve its targets – a failure that has largely been attributed to Portugal's ongoing economic crisis<sup>185</sup>.

---

<sup>7</sup> Projects of organisations based in Lisbon or Porto were found to be 1.22 times more likely to be listed on BVS than projects from organisations located elsewhere. According to the 2013 study, 33% of BVS projects targeted Portugal's general population, while 27% of projects were aimed at those with disabilities, followed by projects targeting children (13.3%), women (10%), youth (6.7%), the elderly (6.7%), and minority groups (3%). In 2016 the project demographic targets were oriented 37.5% towards vulnerable members of society, 29.2% on handicapped populations, and 20.8% on the elderly, while the remaining projects were targeted at children, youth, the financially needy, entrepreneurs and those impacted by AIDS. Cause areas targeted by the projects based on the 2013 study were focused on social and economic development (36.7%), education for citizenship purposes (26.7%), education on sustainability (13.3%), education for those with special needs (10%) and social entrepreneurship (13.3%).



# Portugal's Social Stock Exchange: Bolsa de Valores Sociais (BVS)



## Profile of the institution

- Year of launch: 2009
- Status: In 2015, reported to have failed to take off
- Co-founded and developed by Celso Grecco (founder of BVSA), his firm Atitude, Gulbenkeian Foundation, EDP Foundation, Lisbon's Stock Exchange and supported by Caixa Geral de Deposito (a state bank)

## Main objectives of the SSE

- "To facilitate the matching between civil society organisations, with relevant work and proven results in the field of Education and Entrepreneurship, and social investors (donors) willing to support these organisations by purchasing their social actions"

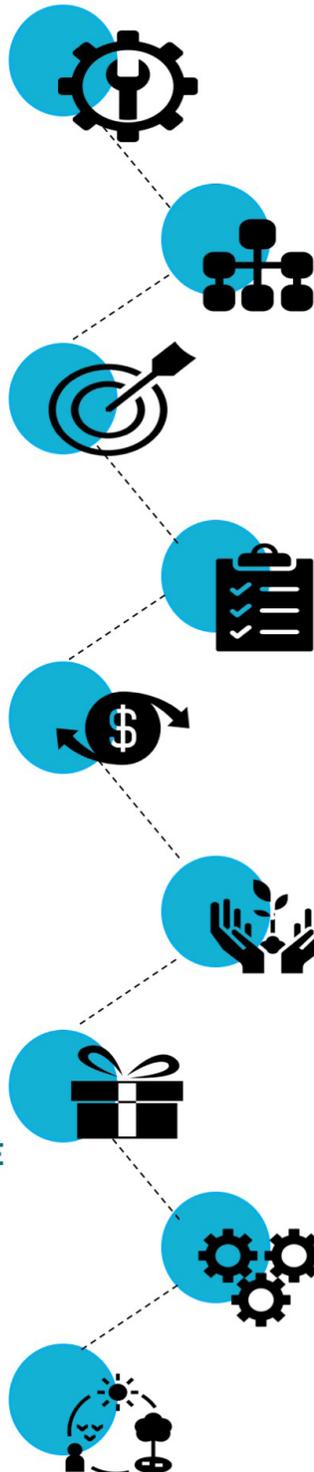
## Investor engagement

- Retail and institutional investors
- Contributions worth 10 euros or more using vouchers, bank transfers, check or credit cards

## Services provided by the SSE

Capacity building services for investees:

- guidance in drafting investment and business plans
- administrative organisation
- strengthening financial reporting and accountability systems



## Structure of the SSE

- Modeled after the Brazilian social stock exchange (BVSA)
- Managed by the VHL Association for the Sustainable Financing of Social Impact
- Social projects listed for a period of 2 years

## Types of investees listed

- Portuguese nonprofit organisations with projects that:
  1. Act on the root cause of an issue and not on its consequences and are already initiated
  2. Are administered by the applicant nonprofit
  3. Guarantee a strong commitment to maintaining transparent reporting and governance

## Expected returns

- Social impact as return

## Impact

- Cause areas targeted and number of projects (2009-2011):
  - Livelihoods and skill training: 11
  - Education: 6
  - Disability: 7
  - Environment and conservation: 4
  - Inclusion of immigrants: 1
- Quantum of funds raised (2012): 2 million euros
- Number of projects (2015): 26

## E. Singapore's Impact Exchange (IX)

### HISTORY AND STRUCTURE



In June 2013, Singapore's Impact Exchange (IX) was launched as a public stock exchange for social organisations to raise capital<sup>186</sup>.

IX was a joint initiative between the Impact Investment Exchange (IIX) and the Stock Exchange of Mauritius (SEM). Dureen Shahnaz, founder of the IIX, was motivated to create IX to explore “the notion of creating a stock exchange for social enterprises that would eliminate many of the barriers to market opportunity that currently exist and help them scale to their full potential”. IIX partnered with the Mauritius Government to institute IX to incorporate both Asian and African entities in two markets where an influx of capital from the private sector was needed to fill funding gaps. Rockefeller Foundation extended its support with a grant of \$495,000<sup>187</sup>.

IIX's vision was to “create a robust ecosystem to effectively mobilize supply of mission-oriented capital, develop demand to absorb and deploy the capital and bridge the gap between the two”<sup>188</sup>. To realise this vision, IIX set up four mechanisms that helped social organisations evolve from idea stage to pre-IPO and maturity stage:

- Impact Accelerator: Cohort-based mentorship and educational programs provided to entities at the ideation or early stages to access seed or early capital
- Impact Partners: Equity crowd-funding platform where groomed entities can raise funds from accredited investors
- IIX Growth Fund: Fund that will direct investments towards entities in their expansion or pre-IPO stage to support them with growth capital or bridge capital
- Impact Exchange (IX): Social stock exchange which helps eligible social organisations utilize the platform to raise equity and debt capital<sup>189</sup>

### REGULATION

IX is operated by the Stock Exchange of Mauritius (SEM) and regulated by Mauritius's Financial Service Commission. The organisations that list on the IX platform are subject to regulations applicable to conventional securities in Mauritius<sup>190</sup>. IX has exclusive regulatory control over the securities issued through the IX platform, which cannot be traded through another exchange platform.

In order to meet its objective of creating an integral market space, the SEM applied the CDS Clearing Rules and Settlement Rules and the Trading Rules & ATS Schedule of Procedures to the operations of the IX and introduced the Impact Exchange Rules (IX Rules). Issuers are required to comply with SEM's Operating Rules, the securities laws and reporting directives of Mauritius and SEM<sup>191</sup>. Issuers must also comply with the listing rules, disclosure requirements, and the requirements of the Securities Act 2005 and/or any regulations or FSC rules made under the Act<sup>192</sup>.

While IX's Rules do not state any consequences of breaching the rules, SEM's conventional securities can serve an organisation that breaches its rules with a letter requesting it to explain and rectify the situation. SEM also has the authority to publish any censure or suspend/remove the organisation's listing. Additionally, SEM can refer the organisation to the Financial Services Commission in Mauritius for further disciplinary action<sup>193</sup>.

#### LISTING CRITERIA AND PROCESS

The types of organisations that can explore IX's platform include social enterprises, social investment funds, microfinance institutions, development finance institutions, social arms of 'inclusive businesses' and Non-Governmental organisations<sup>194</sup>. For-profit social organisations can list equity, preference shares or bonds; not-for-profit entities are allowed to list only bonds; and social investment funds can list either fund shares or units on the exchange<sup>195</sup>.

To ensure that the social /environmental mission of the issuers is safeguarded as well as showcased, IX has specific listing criteria. The listing criteria can broadly be classified into three categories:

##### Impact requirements<sup>196</sup>

- The primacy of social or environmental mission and impact intent
- Well-defined theory of change
- Presence of impact monitoring and impact performance measurement systems
- Agreement to annually report Impact
- Submission of independent impact certification

##### Financial requirements<sup>197</sup>

- Minimum market capitalization of USD 700,000 (or foreign currency equivalent)
- Published financial statements meeting internationally accepted standards for at least one year prior to listing
- Sustainable business model and demonstration of a market-based approach to achieve goals

##### Shareholder requirements<sup>198</sup>

- Minimum of 100 shareholders and 10% in public hands for a class of equity securities
- Minimum of 25 debt holders for a class of debt

Exemption from any of the above requirements is at the discretion of SEM, including the waiver for the minimum requirement of shareholders. Prospective issuers must also be sound in their strategy, operations, management and finance. Before approach-

ing IX, applicants must also decide the medium through which they want to introduce their securities – an introduction, an offer for sale, an offer for subscription or a placing<sup>199</sup>. The time duration of the listing process is dependent on a number of factors such as the readiness of the issuer, type of listing and type of instrument<sup>200</sup>.

#### DUE DILIGENCE PROCESS

IIX pre-screens the impact eligibility of applicant social organisations and recommends shortlisted potential issuers to SEM for further action. Potential issuers must appoint an Authorized Impact Representative (“AIR”), an individual accredited by IX, to support them ensuring compliance with the listing requirements<sup>201</sup>. The due diligence process includes the following:

- Determining the listing readiness of issuers and the type of listing and instruments by the Impact Exchange Board
- Consultations with the AIR and preparations for listing
- Application review and approval for listing by the Listing Executive Committee
- Filing prospectus by the issuer, marketing and begin raising capital
- The final approval for admission to IX is subject to a successful capital raise, after which they can appoint a transfer agent and initiate trading<sup>202</sup>.

The IX Rules not only set the requirements for issuers to list on the exchange but also state the continuous and periodic reporting requirements. Issuers of securities are mandated to provide periodic financial and social reports. Although financial reporting is standardized using the International Finance Reporting Standards (IFRS), social reporting is not standardized. Rather, the IX has introduced a common step for reporting impact in the form of the independent review and verification of impact reports by IX’s AIRs, at the end of every financial year<sup>203</sup>. IIX monitors the adherence of post-listing social impact obligations and the periodic reporting of impact by issuers<sup>204</sup>.

#### DONOR/INVESTOR ENGAGEMENT

IX engages retail and accredited investors from around the world. Investors can expect social and/or environmental returns on investment, while any financial returns they receive is dependent on factors such as the financial performance of the organisation and the availability of a buyer if the investor decides to sell their investment<sup>205</sup>. There are no rules to regulate investor conduct on IX.

Investors are incentivized to engage with IX on account of the increased levels of transparency provided through IX’s impact reporting regime, the availability of liquidity allowing them to trade and exit investments if required and Mauritius’s highly attractive tax regime, under which investors can benefit from Mauritius’s no dividend-tax, no capital gains tax, tax-free repatriation of profits, capital and interest as well as benefit

from the Double Taxation Avoidance Treaties and Investment Promotion and Protection Agreements Mauritius holds with other countries.

Investors can also avail the benefits of SEM being a multi-currency platform, affording them protection from currency fluctuation leaks and conversion costs, as well as SEM's provision of information from global vendors such as Thompson Reuters, Bloomberg and others to enable them to follow the market in real-time<sup>206</sup>.

#### SERVICES PROVIDED BY THE SSE

IX helps issuers market their mission, thus providing them increased visibility and support services that can help build their organisation's capacity and get them to a pre-IPO listing stage. Further, IX boasts of a competitive but affordable fee structure for issuers. IX helps investors connect with organisations whose impact priorities align with their own<sup>207</sup>.

- Mission protection: Issuers and investors/donors are equally assured that long term alignment and upholding of social mission can be achieved as the monitoring of each issuer's impact is built into the listing criteria and rules
- Marketing the mission: Listing on the IX can help publicly demonstrate the organisation's commitment to creating impact and therefore is an effective tool to market the mission of the organisation
- Access to a larger pool of investors: IX can increase the issuer organisation's exposure to investors, both retail and institutional, through its platform
- A global network of impact investors: IX allows foreign investors to invest through the platform as well, thereby exposing issuer social organisations to foreign investments
- Priority Alignment: IX helps connect investors with funding opportunities for social organisations whose mission or impact priorities align with those of the investors

Supportive services and listing fee structures: Through IIX's other platforms, social organisations can access support services that can help build their organisation and capacity and get them to a pre-IPO listing stage. Further, IX boasts of a competitive but affordable fee structure for issuers<sup>208</sup>.



# Singapore's Impact Exchange (IX)



## Profile of the institution

- Year of launch: 2013
- Developed as a joint initiative between IIX and the Stock Exchange of Mauritius (SEM)

## Main objectives of the SSE

- To provide a platform for social purpose organisations to raise capital and for investors to enjoy liquidity

## Investor engagement

- Global retail and institutional investors
- Investors can trade securities
- Investors can avail tax benefits provided by the Mauritius government

## Services provided by the SSE

- Capacity building services to organisations in the pre-IPO listing stage
- Marketing support to investees
- Assistance to investors to align their investments with their impact priorities

## Structure of the SSE

- IX is operated by SEM and regulated by the Financial Services Commission

## Types of investees listed

Social enterprises, social investment funds, microfinance institutions, development finance institutions, social arms of 'inclusive businesses' and Non-Governmental Organisations are eligible to apply for listing if they meet the following criteria:

1. Impact requirements:
  - Primacy of social or environmental mission and impact intent
  - Well-defined theory of change
  - Presence of impact monitoring and performance measurement systems
  - Agreement to annually report impact
  - Submission of independent impact certification
2. Financial requirements:
  - Minimum market capitalization of USD 700,000
  - Published financial statements for at least one year prior to listing
  - Sustainable business model and demonstration of a market-based approach
3. Shareholder requirements:
  - Minimum of 100 shareholders and 10% in public hands for a class of equity securities
  - Minimum of 25 debt holders for a class of debt

## Expected returns

- Investors receive social or environmental returns and can also receive financial returns depending on the financial performance of the enterprise and the availability of a ready buyer

## F. South Africa's Social Investment Exchange (SASIX)

### HISTORY AND STRUCTURE



The South African Social Investment Exchange (SASIX) was launched in 2006<sup>209</sup>. Funding was largely concentrated among well-networked organisations, while organisations that existed outside these networks were less successful in attracting funding<sup>210</sup>. SASIX was created to further the dissemination of philanthropic funds while providing businesses with a reliable and transparent system to support social and economic causes<sup>211</sup>.

SASIX was developed by GreaterGood South Africa Trust and founded by Tamzin Ractliffe, founder of GreaterGood and CEO of SASIX. It was supported by Fidentia Group<sup>212</sup>, Rockefeller Foundation<sup>213</sup>, Noah Financial Innovation - Broking for Good Foundation<sup>214</sup> and organisations such as the Schwab Foundation, Ashoka, World Bank, Aspen Network of Development Entrepreneurs, ILO - SETYSA, and African Social Entrepreneurs Network<sup>215</sup>. Rockefeller Foundation provided a grant of \$72,540 for the planning and designing of SASIX<sup>216</sup>, while Fidentia Group covered the cost of operations and provided managerial, financial and administrative support<sup>217</sup>. Universities in South Africa provided mentoring and training<sup>218</sup>.

SASIX's objective was to "promote a new approach to public and corporate participation in social development," and to "build a culture of accountability for social performance among beneficiary organisations"<sup>219</sup>. SASIX aimed to increase the legitimacy of organisations and projects working towards social causes through rigorous due diligence and impact assessment mechanisms<sup>9</sup>. It also aspired to increase the profile of smaller, lesser-known non-profit organisations<sup>220</sup>.

SASIX Financial was set up in 2007, through a partnership with Cadiz Asset Management. While SASIX's focus was to provide a platform for non-profit organisations<sup>221</sup> to benefit from philanthropic giving, SASIX Financial was created to provide social investors with financial returns on their social investments in community-linked businesses. SASIX ceased functioning in 2017<sup>222</sup>.

### REGULATION

SASIX was housed under the Johannesburg Stock Exchange<sup>223</sup>. SASIX Financial partnered with Cadiz African Harvest Asset Management (CAHAM), an approved and regulated provider of financial services<sup>224</sup>. Projects were listed on SASIX for a period of one year and were replaced thereafter with a different project.

### LISTING CRITERIA AND PROCESS

Non-profit organisations<sup>225</sup> and social businesses were eligible to apply to SASIX.

To be accredited by SASIX, social businesses were required to have:

- A primary social purpose
- A financially sustainable business model
- Accountability and transparency
- Specific, development interventions addressing an identified need within a community (preferably targeting at least one of the 22 identified Presidential Poverty Nodes)
- Clear and measurable deliverables
- A past track record of similar projects
- A budget that focused primarily on the intervention reaching beneficiaries
- Project control by registered non-profit organisations<sup>8</sup>
- Conformity with SASIX's good practice guidelines for each sector<sup>226</sup>

#### DUE DILIGENCE PROCESS

Organisations desiring accreditation by SASIX underwent an interview and admission process that was a minimum of 12 weeks long to enhance project performance potential. Project proposals were peer-reviewed, analysed and rated for risks involved, the methodology utilised to address the cause, experience and qualifications of project leadership, extent of administrative control over the project, finances and reporting, sustainability, and extraneous factors that could impact the organisations' project execution. The organisation was required to estimate the expected outcomes of the project; a final decision was taken by SASIX following a site visit to the project area<sup>227</sup>. GreatGood South Africa provided due diligence<sup>228</sup> and impact monitoring services for all projects listed on SASIX.

#### DONOR/INVESTOR ENGAGEMENT

SASIX engaged both retail and institutional investors<sup>229</sup>, while SASIX Financial only engaged institutional investors<sup>230</sup>. SASIX describes the engagement process in five phases:

1. The 'Awareness and Understanding' phase, where investors were introduced to the initiatives they could support;
2. The 'Connecting' phase, where investors could explore the various options by which they could support causes on SASIX, such as through donations,

---

<sup>8</sup> An organisation is recognised as a non-profit organisation under South Africa's Non-Profit Organisations Act (NPO Act) if: 'It is a trust, company or other association of persons established for a "public purpose"; it does not distribute income or property to members or officers except for "reasonable compensation for services rendered"; it is not "an organ of state"; and it includes certain internal governance provisions in its founding document'. Non-profit companies incorporated under the Companies Act of 2008 can further be recognised as a public benefit organisation (PBO) if their principal objective is to pursue any of the public benefit activities specified under the Ninth Schedule of the Income Tax Act. Organisations that meet the criteria of PBOs can avail partial exemption from taxes and certain specified activities can avail donor deductibility for contributions made to them. PBOs are also eligible for other benefits linked to donations tax, estate duty, transfer duty and the skills development levy.

resources, providing support through the skills they possess or even through loyalty points;

3. The 'First Give & Bond' phase, where investors could make decisions about how they wanted to allocate their donations by setting up their 'giving profiles'. The cost of listed projects was evaluated by SASIX and divided into shares costing R 50 each, which could be purchased by investors selecting based on thematic area and province;
4. The 'Mature Giving' phase, where investors could become 'citizen grant-makers' by establishing a consistent track record of financially supporting enterprises;
5. The 'Stewardship' phase, where investors received impact reports created by social enterprises detailing the impact of project funding<sup>231</sup>.

Institutional investors such as pension funds and financial advisors could expect financial returns on their social investments on SASIX Financial<sup>232</sup>. If investors wished to disengage with SASIX, any remaining funds were given to cause areas of their choice; they would have already received tax benefits for their investments<sup>233</sup>.

Investors were charged an 8.5% fee for impact monitoring, project assessment and administrative services provided<sup>234</sup>. They were incentivised to participate by tax benefits<sup>235</sup> on their SASIX investments, low barriers to entry to becoming an investor and transparent and trackable reporting of project progress<sup>236</sup>. Additionally, institutional investors were incentivised to engage with SASIX as it provided them with the opportunity to effectively channel their corporate social investment (CSI) funds<sup>237</sup>.

#### SERVICES PROVIDED BY THE SSE

Investors were provided with social investment broking and portfolio management services that replicated the atmosphere of a stock market<sup>238</sup>. They were also provided with social investment education services to aid them in choosing projects.

#### IMPACT OF THE SSE

Projects listed on SASIX focused on six areas: education, healthcare, protection of animals and the environment, support for vulnerable people, development of enterprises, food availability and agriculture<sup>239</sup>. By 2009, SASIX had raised R 34.6 million (USD 2.7mn) for 73 projects<sup>240</sup>. Projects listed on the exchange reached the lives of 159,680 people, with many beneficiaries coming from poor backgrounds and rural areas with limited access to resources<sup>241</sup>.

In Galina et al. 2013 study assessing 59 projects on SASIX, it was found that 57.6% of projects were located in the countryside, while 42.4% of projects were concentrated within South Africa's capital city<sup>242</sup>. 89.8% of projects had a regional reach while 10.2% were national. They targeted beneficiaries as follows: children (37%), the traditional

population (27%), persons with disabilities (24%) and those tackling HIV (18.6%). The majority of projects on SASIX were concerned with social entrepreneurship (52.5%), followed by education for citizenship (23.7%), socio-economic development (11.9%), education for sustainability (10.2%) and special education (1.7%)<sup>243</sup>.

SASIX was one of three international finalists to be nominated for the Global Development Network's Most Innovative Development Award. SASIX can also be credited for the introduction of CSR efforts in South Africa<sup>244</sup>, and is considered to have made a transformative impact on capital raising and investment in the development sector<sup>245</sup>.

SASIX Financial focused on healthcare, social welfare, transport facilities, education, community engagement facilities, housing facilities, water and sanitation services and environmental safeguarding<sup>246</sup>. It was reported to have USD 250 million worth of pension assets at its disposal<sup>247</sup>. However, SASIX Financial had an exclusive relationship with Cadiz and thus only reached Cadiz pension funds and institutional investors. The range of financial products available for impact investments through the joint venture was limited primarily to debt.



# South African Social Investment Exchange (SASIX)



## Profile of the institution

- Year of launch: 2006
- Status: Not active
- Founded by Tamzin Ractliffe, and developed by GreaterGood South Africa
- Partnered with Cadiz African Harvest Asset Management (CAHAM) for SASIX Financial
- Supported by Fidentia Group, Rockefeller Foundation, Noah Financial Innovation's Broking for Good Foundation

## Main objectives of the SSE

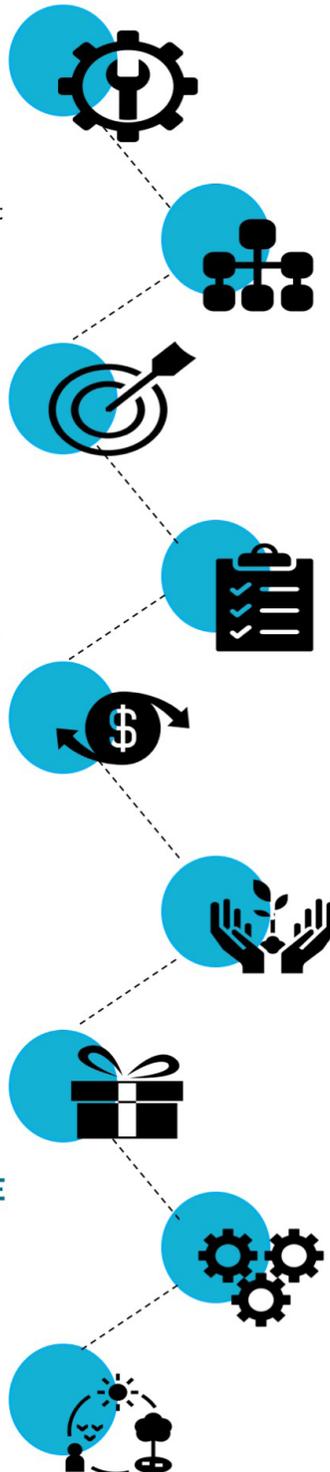
- To promote a new approach to public and corporate participation in social development
- To build a culture of accountability for social performance among beneficiary organisations

## Investor engagement

- SASIX: Retail and institutional investors
- SASIX Financial: Only institutional investors and pension funds from CAHAM

## Services provided by the SSE

- Investors were provided with the following services through CAHAM:
- social investment broking
  - portfolio management
  - investment education



## Structure of the SSE

- Housed in the Johannesburg Stock Exchange
- SASIX listed projects of nonprofits, while SASIX Financial listed social businesses
- Projects listed for a period of 1 year

## Types of investees listed

- Nonprofit organisations, social businesses (enterprises) had to meet these criteria:
  1. Have a primary social purpose
  2. Have a financially sustainable business model
  3. Be transparent and accountable
  4. Have a specific development intervention addressing an identified need within a community
  5. Clear and measurable deliverables
  6. Past track record of similar projects
  7. A budget that focuses primarily on the intervention reaching beneficiaries
  8. Project control by registered non-profit organisations
  9. Conformity with SASIX's good practice guidelines for each sector

## Expected returns

- SASIX: Social impact as return
- SASIX Financial: Financial returns

## Impact

- Cause areas targeted and number of projects (2011):
  - Physical Health: 10
  - Mental health: 1
  - Rehabilitation: 1
  - Disability: 1
- Quantum of funds raised (2009): R 34.6 million (\$ 2.7 million)
- Number of projects listed (2009): 15

## G. United Kingdom's Social Stock Exchange (SSX)

### HISTORY AND STRUCTURE



The UK Social Stock Exchange (SSX) was launched in 2013, in the presence of the then Prime Minister, David Cameron during a G8 conference on Social Impact Investment<sup>248</sup>. SSX was founded by Pradeep Jethi and Mark Campanale; its objective was to “create an efficient, universally accessible buyers’ and sellers’ marketplace where impact investors and social impact businesses of all sizes c[ould] achieve greater impact either through capital allocation or capital raising”<sup>249</sup>.

SSX was further motivated by the market’s demand for impact investment services<sup>250</sup>. The UK government’s focus on finance for social purposes and efforts towards creating a social finance market, through initiatives such as Big Society Capital and the legal framework for ‘Community Interest Companies’ (CIC), provided an encouraging environment for initiatives such as SSX to develop<sup>251</sup>.

SSX was supported by the London Stock Exchange Group, City of London Corporation, Rockefeller Foundation, Big Society Capital, Joseph Rowntree Charitable Trust and Panahpur<sup>252</sup>.

SSX’s official website<sup>253</sup> is not accessible; it was last reported that 50 businesses were listed on SSX in 2017<sup>254</sup>. In 2018, SSX’s operations and employees shifted to a newly launched organisation called the Impact Investment Network (IIN)<sup>255</sup>, which further evolved into the Impact Group.

### REGULATION

SSX was a certified B-corporation<sup>256</sup> and a standalone private company, answerable to its own Board and with changes to SSX’s objects and social aims only permissible with 75% shareholder approval. An Independent Admissions Panel conducted the selection process.

### LISTING CRITERIA AND PROCESS

Businesses eligible to become members of SSX had to meet the following conditions:

1. Be a for-profit company

The applicant companies had to declare their adherence to the UK’s Corporate Governance Guidelines<sup>257</sup>. SSX was focused on applicants who possessed a market capitalization of less than £10 million<sup>258</sup>.

2. Have social or environmental impact at the company’s core

A minimum of two-thirds of the income generated by the businesses should have generally been derived from its social and/or environmental activities<sup>259</sup>.

3. Meet one of the following requirements:
  - a. Have securities that could be publicly traded on a Recognised Investment Exchange;
  - b. Wish to issue equity or debt securities on a Recognised Investment Exchange; or
  - c. Wish to raise growth capital with a view to entering the publicly-listed markets at a later stage<sup>260</sup>.

Businesses located globally were eligible to apply for membership<sup>261</sup>. SSX was a repository and did not facilitate transactions. Listed social businesses with tradable shares could trade their securities on London's Alternative Investments Market (AIM), the London Stock Exchange (LSE) main market<sup>262</sup> or whichever Company Stock Exchange (CSE) or Recognised Investment Exchanges (RIE) businesses were registered<sup>263</sup>.

#### DUE DILIGENCE PROCESS

SSX's Admissions Panel reviewed applications and then either passed them onto the next stage of the application process or provided applicants with feedback, with which they could reapply. During the next stage, businesses were required to prepare an Impact Report with the support of third-party experts in the field of impact reporting and analysis such as PWC, Deloitte, CAN Impact, Investing for Good, the SROI Network and other similar organisations. The Impact Report had to address the following metrics:

- The social or environmental purpose of the company and the impact it would deliver
- The beneficiaries of the company's social impact
- How the company's products, services and operations would deliver that social impact
- How the company would involve and consult with stakeholders
- What evidence a company had of its social impact and how that was collected, measured and reported<sup>264</sup>

Businesses were also required to report on 37 secondary impact metrics, including gender equality. The mandate of the expert organisations was to ensure thorough reporting under the focus areas, verifying evidence provided and making recommendations based on an assessment of the businesses' vitals<sup>265</sup>.

The Impact Report was assessed by the Admissions Panel, an independent body with an independent Chair composed of 11 experts from the fields of finance and impact investment<sup>266</sup> to determine whether the impact created by a business was a result of its own interventions (products, services or processes). On being accepted as a member, busi-

nesses were required to make the annual membership fee payment of £10,000, unless it was waived<sup>267</sup>. Businesses that showed inconsistencies in achieving their stated goals or displayed undertakings outside the scope of their claimed impact missions were eliminated from the admissions process. An estimated 50% of businesses applying for membership were accepted by SSX<sup>268</sup>.

To maintain their membership on SSX, businesses were required to provide an annual impact report. Their performance was reviewed by the Independent Admissions Panel, which decided whether their membership should be continued. There were no reporting requirements for investors on SSX, but investors trading securities for dual-listed businesses were required to follow the reporting requirements specified by the relevant Recognised Investment Exchange<sup>269</sup>.

### DONOR/INVESTOR ENGAGEMENT

SSX was open to global<sup>270</sup> retail and institutional investors<sup>271</sup>, family offices, trusts and foundations. SSX was not a trading platform<sup>9</sup> and hence did not provide trading services directly<sup>272</sup>. SSX had networks of 65 or so intermediaries; execution-only, advisory and discretionary brokers or wealth managers to assist investors<sup>273</sup>. Investors were incentivized to engage with SSX as it acted as a directory of verified businesses working towards social and environmental missions, subject to rigorous impact evaluation processes.

External economic and political influences, such as the 2014 Scottish referendum, the Feed-in Tariff regime in 2015 and the European Referendum, interfered with SSX's attempts to use intermediary networks to float retail offers<sup>274</sup>.

### SERVICES PROVIDED BY SSX

SSX provided capacity-building services to potential members by discussing their approach to impact creation and preparing them to undertake the impact assessment to become members. Members were provided with input and expert advice from SSX's Social Company Advisors (SCAs). In 2016, SSX had 15 SCAs from corporate finance, law, accountancy, auditing and brokering, who provided businesses with guidance on how to improve their profile and navigate options for capital mobilization. Through frequent Impact Investor events, SSX offered networking opportunities to members who could utilise the platform to learn from other businesses as well as encourage potential investors to invest in them. In the year 2015, SSX held 30 events promoting the member businesses and reached 2,500 investors who showed interest in supporting member businesses. A major incentive for listees was that they could use the accreditation provided by SSX's Admissions Panel to bolster their capital-raising potential externally. SSX also strived to raise seed capital through investors for members and provided them with the opportunity to issue an IPO with partner exchanges once the businesses had matured<sup>275</sup>.

## IMPACT OF SSX

SSX measured its social impact by the total number of social businesses it featured, the amount of capital these businesses were able to raise and finally, the total number of securities listed<sup>276</sup>.

SSX projects focused on housing and local facilities, income and financial inclusion, physical health, mental health and wellbeing, environmental conservation, citizenship and community, arts, heritage, sport and faith and international development. Members of SSX raised £400 million in the year 2015. While SSX envisioned accepting businesses which were publicly listed at a larger scale than unlisted businesses, an estimated 50% of its members were private businesses in 2016.

The SSX Impact Report 2016 shows not only the number of people impacted by social businesses but also a high-level view of the social and environmental outcomes achieved, such as the specific number of jobs created, the number of tonnes of CO<sub>2</sub> they were able to avoid generating and the number of people provided with access to health facilities.

SSX displayed its potential by effectively enabling businesses to scale their impact in numerous cause areas. It was awarded 'Best Trading Innovation' by ADVFN, a financial services company, and The Guardian's Sustainable Business Award in the 'Finance for Good' category in 2016<sup>277</sup>. To increase their reach with local businesses SSX had begun piloting local exchanges in Wirral, Liverpool, Edinburgh and Scotland<sup>278</sup>.



# UK's Social Stock Exchange (SSX)



## Profile of the institution

- Year of launch: 2013
- Status: Not functional in its original form
- Developed based on recommendations from the Social Investment Task Force (SITF) by Pradeep Jethi and Mark Campanale
- Supported by the London Stock Exchange, Big Society Capital and others

## Main objectives of the SSE

- To create an efficient, universally accessible buyer and seller marketplace where impact investors and social impact businesses of all sizes can achieve greater impact either through capital allocation or capital raising

## Investor engagement

- Retail and institutional investors, both local and international
- Investors could buy, sell and manage securities that were dual-listed on SSX and a RIE

## Services provided by the SSE

- Guidance provided to investees by Social Company Advisors (SCAs), an expert team comprising corporate, legal and financial experts
- Opportunities to offer IPOs through SSX partnerships with RIEs
- Brokerage services for investors
- Networking opportunities for investees and investors

## Structure of the SSE

- Certified B-corporation
- Standalone private company, not regulated or housed under any stock exchange

## Types of investees listed

- For profit companies (adhering to the UK's Corporate Guidelines), with a social or environmental purpose, with a market capitalization of less than £10 mn, matching 1 of the 3 requirements:
  1. Have securities that can be publicly traded on a Recognised Investment Exchange (RIE)
  2. Wish to issue equity or debt securities on a RIE
  3. Wish to raise growth capital with a view to entering the publicly-listed markets at a later stage

## Expected returns

- Social impact
- Financial returns on investments for companies that were also listed on a RIE

## Impact so far

- Cause areas targeted and number of organisations (2016):
  - Physical health: 4
  - Mental health: 3
  - Rehabilitation: 1
  - Environment: 14
  - Affordable housing: 3
  - Financial inclusion: 2
  - Care of the elderly: 1
  - Access to facilities: 1
  - Art: 1
  - International development: 5
  - Other: 2
- Total quantum of funds raised: 400 million euros (\$48,27,40,000) in 2015
- Number of social businesses listed: 50 (2018)

# APPENDIX I

## LIST OF INTERVIEWS

SSE	NAME & DESIGNATION
<b>Singapore's Impact Exchange</b>	Natasha Garcha (Director, Innovative Finance at Impact Investment Exchange, [IIX])
<b>Jamaica Social Stock Exchange (JSSE)</b>	Professor Neville Ying (Chairman) Marlene Street Forest (Managing Director) Charmaine Brimm (Technical Specialist at Planning Institute of Jamaica) Nora Blake (Project Coordinator) Andre Gooden (Group Business Development Manager) Patrice Smith-Lindo (Project Manager)
<b>UK's Social Stock Exchange (SSX)</b>	Mark Campanale (Co-founder) John Elkington (Chair of the Independent Admissions Panel)
<b>Canada's Social Venture Connexion (SVX)</b>	Adam Spence (Founder, CEO, Board member) Ameeta Vijay (Chief Compliance Officer, Chief Financial Officer)
<b>India's SSE</b>	Santosh Jayaram (Member of SEBI's Technical Committee) Priyaka Dhingra (Part of Mr. Amit Chandra's team, a member of SEBI's Working Group) Raahil Rai (Part of Ms. Roopa Kudva's team, a member of SEBI's Working Group) Ingrid Srinath (Member of SEBI's Technical Committee) Noshir Dadrawala (Programme Director, Legal & CSR Compliance at Centre for Advancement of Philanthropy and India's leading consultant on Legal Compliance for non-profits and CSR)

## REFERENCES

- 1 Davis, N. et al. (2013). The future role of civil society. World Economic Forum. Available at: [http://www3.weforum.org/docs/WEF\\_FutureRoleCivilSociety\\_Report\\_2013.pdf](http://www3.weforum.org/docs/WEF_FutureRoleCivilSociety_Report_2013.pdf)
- 2 Menon, R. and Parekh, A. (2020). 'NGO governance and why it matters'. The Institute of Company Secretaries in India, 50(8), pp.73-77. Available at: [https://www.icsi.edu/media/webmodules/linksofweeks/ICSI-August\\_2020.pdf](https://www.icsi.edu/media/webmodules/linksofweeks/ICSI-August_2020.pdf)
- 3 McGill, L. (2018). **Current trends in philanthropy: international giving by U.S foundations**, PND by Candid. Available at: <https://pndblog.typepad.com/pndblog/2018/11/current-trends-in-philanthropy-international-giving-by-us-foundations.html>
- 4 Bhagwati, A. et al. (2019). **India Philanthropy Report 2019**. Bain & Company. Available at: <https://www.bain.com/insights/india-philanthropy-report-2019/>
- 5 Shahnaz, D. (2013). 'Social Stock Exchanges: Democratizing impact Investing'. **From ideas to practice, pilots to strategy- practicable solutions and actionable insights on how to do impact investing**. World Economic Forum Investor Industries. Available at: <http://reports.weforum.org/impact-investing-from-ideas-to-practice-pilots-to-strategy/5-1-social-stock-exchanges-democratizing-impact-investing/#view/fn-27>
- 6 Hand, D. et al. (2020). **Annual impact investor survey 2020**. Global Impact Investing Network. Available at: <https://thegiin.org/assets/GIIN%20Annual%20Impact%20Investor%20Survey%202020.pdf>
- 7 The British Council. (2016). **The state of social enterprise in India**. The British Council. Available at: [https://www.britishcouncil.org/sites/default/files/bc-report-ch4-india-digital\\_0.pdf](https://www.britishcouncil.org/sites/default/files/bc-report-ch4-india-digital_0.pdf).
- 8 Parekh, A., Dhingra, P. and Menon, R. (2020). **What do nonprofits think of CSR?**. India Development Review. Available at: <https://idronline.org/what-do-nonprofits-think-of-csr/>
- 9 Ravi, S. et al. (2019). **The promise of impact investing in India**. Brookings India. Available at: <https://www.brookings.edu/wp-content/uploads/2019/07/The-promise-of-impact-investing-in-India.pdf>
- 10 Mohan, A. et al. (2019). **Everyday giving in India report**. Sattva Consulting. Available at: [https://www.sattva.co.in/wp-content/uploads/2019/04/Sattva-Everyday-Giving-in-India-Report\\_Key-Findings.pdf](https://www.sattva.co.in/wp-content/uploads/2019/04/Sattva-Everyday-Giving-in-India-Report_Key-Findings.pdf)
- 11 Government of India. **Budget 2019-2020- Speech of Nirmala Sitharaman**. Government of India. Available at: <https://www.indiabudget.gov.in/doc/bspeech/bs201920.pdf>
- 12 Behar, A. (2020). **Social stock exchange is yet to take off in any country**. The Indian Express. Available at: <https://indianexpress.com/article/opinion/columns/importing-a-failed-experiment-6608192/>
- 13 SSX. (2016). Social stock exchange research book. All Street Research. Available at: <https://www.slideshare.net/ClementHuret/all-street-social-stock-exchange-research-book-2016-58426872>
- 14 Interview with members associated with the Jamaica Social Stock Exchange
- 15 SEBI. (2020). Working group report on social stock exchange. Securities and Exchange Board of India. Available at: [https://www.sebi.gov.in/reports-and-statistics/reports/jun-2020/report-of-the-working-group-on-social-stock-exchange\\_46751.html](https://www.sebi.gov.in/reports-and-statistics/reports/jun-2020/report-of-the-working-group-on-social-stock-exchange_46751.html)
- 16 Balasubramaniam, R. et al. Roadmap of social enterprise ecosystem as a precursor for a viable stock exchange in India. Grassroots Research and Advocacy Movement (GRAAM). Available at: [https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD\\_SSE\\_Study\\_report\\_nNqYkuD.pdf](https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD_SSE_Study_report_nNqYkuD.pdf)
- 17 Chhichhia, B. (2012). Social stock exchanges- innovative financing for international development. Loyala University Chicago. Available at: <https://www.semanticscholar.org/paper/SOCIAL-STOCK-EXCHANGES-%E2%80%93-INNOVATIVE-FINANCING-FOR-Miss-Vijay/89e2c9d0e70a3631f504889fd23737825a52a794>
- 18 Parekh, A., Dhingra, P. and Menon, R. (2020). What do nonprofits think of CSR?. India Development Review. Available at: <https://idronline.org/what-do-nonprofits-think-of-csr/>
- 19 Chhichhia, B. (2012). Social stock exchanges- innovative financing for international development. Loyala University Chicago. Available at: <https://www.semanticscholar.org/paper/SOCIAL-STOCK-EXCHANGES-%E2%80%93-INNOVATIVE-FINANCING-FOR-Miss-Vijay/89e2c9d0e70a3631f504889fd23737825a52a794>
- 20 Behar, A. (2020). Social stock exchange is yet to take off in any country. The Indian Express. Available at: <https://indianexpress.com/article/opinion/columns/importing-a-failed-experiment-6608192/>
- 21 Charitable giving statistics. Available at: <https://www.nptrust.org/philanthropic-resources/charitable-giving-statistics/>
- 22 OECD netFWD. (2019). Insights on philanthropy for gender equality. OECD Development Centre, Paris. Available at: [http://www.oecd.org/development/networks/Final\\_Gender\\_WG\\_Policy\\_Note\\_7319.pdf](http://www.oecd.org/development/networks/Final_Gender_WG_Policy_Note_7319.pdf)
- 23 Dasra.(2020). India philanthropy report. Bain & Company. Available at: [https://www.dasra.org/assets/uploads/resources/India\\_Philanthropy\\_Report.pdf](https://www.dasra.org/assets/uploads/resources/India_Philanthropy_Report.pdf)
- 24 Gregory, A. and Howard, D. (2009). The non-profit starvation cycle. Stanford Social Innovation Review. Available at: [https://ssir.org/articles/entry/the\\_nonprofit\\_starvation\\_cycle](https://ssir.org/articles/entry/the_nonprofit_starvation_cycle)
- 25 Venkatachalam, P., Yeh, D. and Memon, N. (2020). Philanthropy and the covid-19 response in India. Available at: <https://www.bridgespan.org/bridgespan/Images/articles/philanthropy-response-covid-19-india/Philanthropy-in-India-COVID-19-Response.pdf>
- 26 Chhichhia, B. (2012). Social stock exchanges- innovative financing for international development. Loyala University Chicago. Available at: <https://www.semanticscholar.org/paper/SOCIAL-STOCK-EXCHANGES-%E2%80%93-INNOVATIVE-FINANCING-FOR-Miss-Vijay/89e2c9d0e70a3631f504889fd23737825a52a794>
- 27 Dadush, S. (2015). 'Regulating social finance: can social stock exchanges meet the challenge?' Penn Law: Legal Scholarship Repository, 37(1), pp. 139-230. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jil>

- 28 Women's Livelihood Bond. USAID. Available: <https://www.usaid.gov/asia-regional/fact-sheets/womens-livelihood-bond#:~:text=The%20Women's%20Livelihood%20Bond%20will%20provide%20private%20capital%20to%20microfinance,from%20subsistence%20to%20sustainable%20livelihoods>.
- 29 IIX. (2017). IIX Women's Livelihood Bond. IIX Foundation. Available at: [https://iixglobal.com/wp-content/uploads/2019/02/IIX-Foundation\\_WLB-Final-Blueprint-Paper\\_FEB-2019.pdf](https://iixglobal.com/wp-content/uploads/2019/02/IIX-Foundation_WLB-Final-Blueprint-Paper_FEB-2019.pdf).
- 30 SEBI. (2020). Working group report on social stock exchange. Securities and Exchange Board of India. Available at: [https://www.sebi.gov.in/reports-and-statistics/reports/jun-2020/report-of-the-working-group-on-social-stock-exchange\\_46751.html](https://www.sebi.gov.in/reports-and-statistics/reports/jun-2020/report-of-the-working-group-on-social-stock-exchange_46751.html)
- 31 Scholz, A., Selian, A. and Mohn, B. (2018). Impact platforms, towards an interoperable impact finance ecosystem. Bertelsmann Stiftung, Sphaera & Arth. Available at: <https://impactfinance.network/>
- 32 SEBI. (2020). Working group report on social stock exchange. Securities and Exchange Board of India. Available at: [https://www.sebi.gov.in/reports-and-statistics/reports/jun-2020/report-of-the-working-group-on-social-stock-exchange\\_46751.html](https://www.sebi.gov.in/reports-and-statistics/reports/jun-2020/report-of-the-working-group-on-social-stock-exchange_46751.html)
- 33 Ontario SE. (2013). Impact- a social enterprise strategy for Ontario. Ontario SE. Available at: <https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/social-enterprise-strategy-en.pdf>
- 34 Scholz, A., Selian, A. and Mohn, B. (2018). Impact platforms, towards an interoperable impact finance ecosystem. Bertelsmann Stiftung, Sphaera & Arth. Available at: <https://impactfinance.network/>
- 35 SEBI. (2019). News listing. Securities and Exchange Board of India. Available at: <https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListingAll=yes&search=Exchanges>
- 36 CSIP. (2020). Webinar on why the social stock exchange matters for India's non-profit sector. Centre for Social Impact and Philanthropy. Available at: <https://csip.ashoka.edu.in/why-the-social-stock-exchange-matters-for-indias-nonprofit-sector/>
- 37 Doing Good Index 2020. Available at: <https://doinggoodindex.caps.org/profiles/india>
- 38 Ibid
- 39 Mudaliar, A., Bass, R. and Dithrich, H. (2018). **Annual impact investor survey**. Global Impact Investing Survey. Available at: [https://thegiin.org/assets/2018\\_GIIN\\_Annual\\_Impact\\_Investor\\_Survey\\_webfile.pdf](https://thegiin.org/assets/2018_GIIN_Annual_Impact_Investor_Survey_webfile.pdf)
- 40 Weaven, E. (2012). **Marrying cash and change: Social stock exchange's spread worldwide**. The Christian Science Monitor. Available at: <https://www.csmonitor.com/World/Making-a-difference/Change-Agent/2012/0830/Marrying-cash-and-change-Social-stock-markets-spread-worldwide>
- 41 Sustainable Stock Exchanges Initiative official website. Available at: <https://sseinitiative.org/stock-exchange/b3/>
- 42 Zandee, D. (2004). **BOVESPA and the social stock exchange: mobilizing the financial market for development**. Global Compact Office. Available at: [icepoverty.pbworks.com/f/bovespa\\_cs.pdf](http://icepoverty.pbworks.com/f/bovespa_cs.pdf)
- 43 Bevilacqua, S. (2012). **Socioenvironmental Stock Exchange focuses on UN objectives**. Terra. Available at: <https://www.terra.com.br/noticias/ciencia/sustentabilidade/bolsa-de-valores-socioambientais-foca-em-objetivos-da-onu,439839160467b310VgnCLD200000bbcceb0aRCRD.html>
- 44 Wendt, K. (2017). 'Social Stock Exchanges- Democratization of Capital Investing for Impact'. **30th Australasian Finance and Banking Conference**. Available at: [https://www.researchgate.net/publication/324658529\\_Social\\_Stock\\_Exchanges\\_-\\_Democratization\\_of\\_Capital\\_Investing\\_for\\_Impact](https://www.researchgate.net/publication/324658529_Social_Stock_Exchanges_-_Democratization_of_Capital_Investing_for_Impact)
- 45 Grecco, C. **Banking on social change: seeking financial solutions for all**. Ashoka Changemakers. Available at: <https://www.changemakers.com/bankingonsocialchange/entries/social-stock-exchange-0>
- 46 Zandee, D. (2004). **BOVESPA and the social stock exchange: mobilizing the financial market for development**. Global Compact Office. Available at: [icepoverty.pbworks.com/f/bovespa\\_cs.pdf](http://icepoverty.pbworks.com/f/bovespa_cs.pdf)
- 47 Grecco, C. **Banking on social change: seeking financial solutions for all**. Ashoka Changemakers. Available at: <https://www.changemakers.com/bankingonsocialchange/entries/social-stock-exchange-0>
- 48 Zandee, D. (2004). **BOVESPA and the social stock exchange: mobilizing the financial market for development**. Global Compact Office. Available at: [icepoverty.pbworks.com/f/bovespa\\_cs.pdf](http://icepoverty.pbworks.com/f/bovespa_cs.pdf)
- 49 BrazilFoundation official website. Available at: <https://www.brazilfoundation.org/model/#menu-partnership>
- 50 GIFE. (2016). **Socio-Environmental Stock Exchange (BVSA) launches new list of projects**. GIFE. Available at: <https://gife.org.br/bolsa-de-valores-socioambientais-bvsa-lanca-nova-listagem-de-projetos/?lang=en>
- 51 Socio-Environmental Stock Exchange. B3 Social. Available at: <http://www.institutobmfbovespa.com.br/pt-br/bolsa-valores-socioambientais.asp>
- 52 BVSA official website. Available at: <http://www.bvsa.org.br/>
- 53 Chhichhia, B. (2012). **Social stock exchanges- innovative financing for international development**. Loyala University Chicago. Available at: <https://www.semanticscholar.org/paper/SOCIAL-STOCK-EXCHANGES-%E2%80%93-INNOVATIVE-FINANCING-FOR-Miss-Vijay/89e2c9d0e70a3631f504889fd23737825a52a794>
- 54 Bovespa. (2007). **Sao Paulo Stock Exchange-Bovespa: communication on progress**. Available at: <https://s3-us-west-2.amazonaws.com/ungc-production/attachments/4208/original/COP.pdf?1262614955>
- 55 Zandee, D. (2004). **BOVESPA and the social stock exchange: mobilizing the financial market for development**. Global Compact Office. Available at: [icepoverty.pbworks.com/f/bovespa\\_cs.pdf](http://icepoverty.pbworks.com/f/bovespa_cs.pdf)
- 56 Antas, G. (2017). **Socioenvironmental Stock Exchange-BVSA**. SILO TIPS. Available at: <https://silo.tips/download/bolsa-de-valores-socioambientais-bvsa-regulamento#>
- 57 Ibid
- 58 B3&FB3 (2017). **B3 presents the 20 projects that will be listed at the BVSA in 2017**. B3&FB3 Institute.
- 59 Institutoativar. (2015). **BVSA- Socio-Environmental Exchange**. Available at: [tp://www.institutoativar.org.br/bvsa-bolsa-de](http://www.institutoativar.org.br/bvsa-bolsa-de)

valores-socioambientais/

60 Zandee, D. (2004). *BOVESPA and the social stock exchange: mobilizing the financial market for development*. Global Compact Office. Available at: [icepoverty.pbworks.com/f/bovespa\\_cs.pdf](http://icepoverty.pbworks.com/f/bovespa_cs.pdf)

61 Antas, G. (2017). *Socioenvironmental Stock Exchange-BVSA*. SILO TIPS. Available at: <https://silo.tips/download/bolsa-de-valores-socioambientais-bvsa-regulamento#>

62 Ibid

63 GIFE. (2016). *Socio-Environmental Stock Exchange (BVSA) launches new list of projects*. GIFE. Available at: <https://gife.org.br/bolsa-de-valores-socioambientais-bvsa-lanca-nova-listagem-de-projetos/?lang=en>

64 B3&FB3. (2017). *B3 presents the 20 projects that will be listed at the BVSA in 2017*. B3&FB3 Institute. Available at: [http://www.b3.com.br/en\\_us/news/b3-institute.htm](http://www.b3.com.br/en_us/news/b3-institute.htm)

65 Sustainable Stock Exchanges Initiative official website. Available at: <https://sseinitiative.org/stock-exchange/b3/>

66 Antas, G. (2017). *Socioenvironmental Stock Exchange-BVSA*. SILO TIPS. Available at: <https://silo.tips/download/bolsa-de-valores-socioambientais-bvsa-regulamento#>

67 Zandee, D. (2004). *BOVESPA and the social stock exchange: mobilizing the financial market for development*. Global Compact Office. Available at: [icepoverty.pbworks.com/f/bovespa\\_cs.pdf](http://icepoverty.pbworks.com/f/bovespa_cs.pdf)

68 Economica. (2017). *Bovespa announces projects chosen for the 'Socio-Environmental Stock Exchange'*. Brasil Economico. Available at: <https://economia.ig.com.br/2017-03-27/bovespa.html>

69 Zandee, D. (2004). *BOVESPA and the social stock exchange: mobilizing the financial market for development*. Global Compact Office. Available at: [icepoverty.pbworks.com/f/bovespa\\_cs.pdf](http://icepoverty.pbworks.com/f/bovespa_cs.pdf)

70 Wendt, K. (2017). 'Social Stock Exchanges- Democratization of Capital Investing for Impact'. *30th Australasian Finance and Banking Conference*. Available at: [https://www.researchgate.net/publication/324658529\\_Social\\_Stock\\_Exchanges\\_-\\_Democratization\\_of\\_Capital\\_Investing\\_for\\_Impact](https://www.researchgate.net/publication/324658529_Social_Stock_Exchanges_-_Democratization_of_Capital_Investing_for_Impact)

71 Antas, G. (2017). *Socioenvironmental Stock Exchange-BVSA*. SILO TIPS. Available at: <https://silo.tips/download/bolsa-de-valores-socioambientais-bvsa-regulamento#>

72 B3&FB3. (2017). *B3 presents the 20 projects that will be listed at the BVSA in 2017*. B3&FB3 Institute. Available at: [http://www.b3.com.br/en\\_us/news/b3-institute.htm](http://www.b3.com.br/en_us/news/b3-institute.htm)

73 Zandee, D. (2004). *BOVESPA and the social stock exchange: mobilizing the financial market for development*. Global Compact Office. Available at: [icepoverty.pbworks.com/f/bovespa\\_cs.pdf](http://icepoverty.pbworks.com/f/bovespa_cs.pdf)

74 Ibid

75 Antas, G. (2017). *Socioenvironmental Stock Exchange-BVSA*. SILO TIPS. Available at: <https://silo.tips/download/bolsa-de-valores-socioambientais-bvsa-regulamento#>

76 Socio-Environmental Stock Exchange. B3 Social. Available at: <http://www.institutobmfbovespa.com.br/pt-br/bolsa-valores-socioambientais.asp>

77 BrazilFoundation. (2018). *B3 Social Investment Announces 20 Projects Listed on BVSA in 2018*. BrazilFoundation. Available at: <https://www.brazilfoundation.org/b3-social-investment-announces-20-projects-listed-on-bvsa-in-2018/>

78 Zandee, D. (2004). *BOVESPA and the social stock exchange: mobilizing the financial market for development*. Global Compact Office. Available at: [icepoverty.pbworks.com/f/bovespa\\_cs.pdf](http://icepoverty.pbworks.com/f/bovespa_cs.pdf)

79 Grecco, C. (2011). *The revolutionary idea of quoting solidarity on the stock exchange*. Destak. Available at: <http://www.destak.pt/artigo/86497-a-ideia-revolucionaria-de-cotar-a-solidariedade-na-bolsa-de-valores>

80 Zandee, D. (2004). *BOVESPA and the social stock exchange: mobilizing the financial market for development*. Global Compact Office. Available at: [icepoverty.pbworks.com/f/bovespa\\_cs.pdf](http://icepoverty.pbworks.com/f/bovespa_cs.pdf)

81 Chhichhia, Bandini. (2015). *The Rise of Social Stock Exchanges*. Stanford Social Innovation Review. Available at: [https://ssir.org/articles/entry/the\\_rise\\_of\\_social\\_stock\\_exchanges#](https://ssir.org/articles/entry/the_rise_of_social_stock_exchanges#)

82 SVX. (2013). *SVX Investor Manual*. Available at: [http://s3.amazonaws.com/svx.production/cms/files/files/000/000/002/SVX\\_Investor\\_Manual-original.pdf](http://s3.amazonaws.com/svx.production/cms/files/files/000/000/002/SVX_Investor_Manual-original.pdf)

83 Balasubramaniam *et al.* (2020). *Roadmap of Social Enterprise Ecosystem as a Precursor for a Viable Social Stock Exchange in India*. Grassroots Research and Advocacy Movement. Available at: [https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD\\_SSE\\_Study\\_report\\_nNqYkuD.pdf](https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD_SSE_Study_report_nNqYkuD.pdf)

84 Dadush, Sarah. (2015). *Regulating Social Finance: Can Social Stock Exchanges Meet the Challenge?*. U. Pa. J. Int'l L., 37, p.139. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jil>

85 SVX. (2013). *SVX Investor Manual*. Available at: [http://s3.amazonaws.com/svx.production/cms/files/files/000/000/002/SVX\\_Investor\\_Manual-original.pdf](http://s3.amazonaws.com/svx.production/cms/files/files/000/000/002/SVX_Investor_Manual-original.pdf)

86 Dadush, Sarah. (2015). *Regulating Social Finance: Can Social Stock Exchanges Meet the Challenge?*. U. Pa. J. Int'l L., 37, p.139. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jil>

87 Interview with Adam Spence and Ameeta Vijay from SVX

88 Balasubramaniam *et al.* (2020). *Roadmap of Social Enterprise Ecosystem as a Precursor for a Viable Social Stock Exchange in India*. Grassroots Research and Advocacy Movement. Available at: [https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD\\_SSE\\_Study\\_report\\_nNqYkuD.pdf](https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD_SSE_Study_report_nNqYkuD.pdf)

89 MaRS. (2013). *New MaRS investment platform to mobilize private capital for public good*. MaRS. Available at: <https://www.marsdd.com/media-centre/new-mars-investment-platform-mobilize-private-capital-public-good/>

90 SVX. (2019). *The next step on our social innovation journey*. SVX Medium.. Available at: <https://medium.com/@theSVX/the-next>

step-on-our-social-innovation-journey-8df8356a44e6

91 SVX. (2019). *A Year in Review with SVX: 2019*. SVX Medium. Available at: <https://medium.com/@theSVX/a-year-in-review-with-svx-2019-3a41d9a71714>

92 Spence, Adam and Sinopoli, Tristina. (2013). *SVX Case Study*. Available at: [http://s3.amazonaws.com/svx.production/cms/files/files/000/000/007/MaRS\\_SVX\\_Case\\_Study-original.pdf](http://s3.amazonaws.com/svx.production/cms/files/files/000/000/007/MaRS_SVX_Case_Study-original.pdf)

93 SVX official website. Available at: <https://www.svx.ca/>

94 Dadush, Sarah. (2015). *Regulating Social Finance: Can Social Stock Exchanges Meet the Challenge?*. U. Pa. J. Int'l L., 37, p.139. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jil>

95 Interview with Adam Spence and Ameeta Vijay from SVX

96 *Are all not-for-profit corporations the same?*. Government of Canada. Available at: <http://corporationscanada.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs07310.html>

97 Balasubramaniam *et al.* (2020). *Roadmap of Social Enterprise Ecosystem as a Precursor for a Viable Social Stock Exchange in India*. Grassroots Research and Advocacy Movement. Available at: [https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD\\_SSE\\_Study\\_report\\_nNqYkuD.pdf](https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD_SSE_Study_report_nNqYkuD.pdf)

98 SVX. (2020). *Call for Federal Action to Achieve an Inclusive Economic Recovery*. SVX Medium. Available at: <https://medium.com/@theSVX/call-for-federal-action-to-achieve-an-inclusive-economic-recovery-d0e189d22efc>

99 SVX. (2013). *SVX Investor Manual*. Available at: [http://s3.amazonaws.com/svx.production/cms/files/files/000/000/002/SVX\\_Investor\\_Manual-original.pdf](http://s3.amazonaws.com/svx.production/cms/files/files/000/000/002/SVX_Investor_Manual-original.pdf)

100 Balasubramaniam *et al.* (2020). "Roadmap of Social Enterprise Ecosystem as a Precursor for a Viable Social Stock Exchange in India". Grassroots Research and Advocacy Movement. Available at: [https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD\\_SSE\\_Study\\_report\\_nNqYkuD.pdf](https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD_SSE_Study_report_nNqYkuD.pdf)

101 SVX official website. Available at: <https://www.svx.ca/>

102 Balasubramaniam *et al.* (2020). "Roadmap of Social Enterprise Ecosystem as a Precursor for a Viable Social Stock Exchange in India". Grassroots Research and Advocacy Movement. Available at: [https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD\\_SSE\\_Study\\_report\\_nNqYkuD.pdf](https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD_SSE_Study_report_nNqYkuD.pdf)

103 <https://core.ac.uk/download/pdf/217202628.pdf>

104 SVX official website. Available at: <https://www.svx.ca/>

105 SVX official website. Available at: <https://www.svx.ca/>

106 SVX official website. Available at: <https://www.svx.ca/>

107 *Equity crowdfunding in Ontario*. Ontario Securities Commission. Available at: <https://www.getsmarteraboutmoney.ca/protect-your-money/investor-protection/regulation-in-canada/equity-crowdfunding-in-ontario/>

108 Ritchie, Alan and Emes, Aaron. (2014). *The Social Venture Connexion: A Canadian Model for Impact Investing*. Association of Corporate Counsel. Available at: [https://www.torlys.com/~media/files/insights/publications/2014/03/social-venture-connexion-a-canadian-model-for-im\\_/files/ar20143pdf/fileattachment/ar20143.pdf](https://www.torlys.com/~media/files/insights/publications/2014/03/social-venture-connexion-a-canadian-model-for-im_/files/ar20143pdf/fileattachment/ar20143.pdf)

109 SVX. (2018). *SVX: Regulations and Risks*. Available at: [https://s3-us-west-2.amazonaws.com/katapult-equity/live/client/svx-ca/svx-canada-documents/EMD+Risks+-+Formatted\\_April+2018.pdf](https://s3-us-west-2.amazonaws.com/katapult-equity/live/client/svx-ca/svx-canada-documents/EMD+Risks+-+Formatted_April+2018.pdf)

110 SVX official website. Available at: <https://www.svx.ca/>

111 Interview with Adam Spence and Ameeta Vijay from SVX

112 SVX. (2013). *SVX Investor Manual*. Available at: [http://s3.amazonaws.com/svx.production/cms/files/files/000/000/002/SVX\\_Investor\\_Manual-original.pdf](http://s3.amazonaws.com/svx.production/cms/files/files/000/000/002/SVX_Investor_Manual-original.pdf)

113 SVX official website. Available at: <https://www.svx.ca/>

114 Venture Services. MaRS Centre for Impact Investing. Available at: <https://impactinvesting.marsdd.com/venture-services/>

115 SVX. (2019). *Sustainable Food and Agriculture Accelerator 2019*. SVX Wordpress. Available at: <https://pecbootcamp2019.wordpress.com/>

116 SVX. (2020). *A Year in Review: 2020*. SVX Medium. Available at: <https://medium.com/@theSVX/a-year-in-review-with-svx-2020-c90f803fa55a>

117 Interview with Adam Spence and Ameeta Vijay from SVX

118 SVX. (2020). *SVX Complaints Policy and Procedures*. Available at: <https://s3-us-west-2.amazonaws.com/katapult-equity/live/client/svx-ca/svx-canada-documents/Complaints+Policy+-+Formatted.pdf>

119 SVX official website. Available at: <https://www.svx.ca/>

120 SVX official website. Available at: <https://www.svx.ca/>

121 MaRS. (2018). *SVX launches new platform with new issuers in Quebec*. MaRS. Available at: <https://www.marsdd.com/media-centre/svx-launches-new-platform-with-new-issuers-in-quebec/>

122 MaRS. (2015). *Ushering in the future of cleantech 3.0*. MaRS. Available at: <https://www.marsdd.com/news/ushering-in-the-future-of-cleantech/>

123 SVX (2019). *A Year in Review with SVX: 2019*. SVX Medium. Available at: <https://medium.com/@theSVX/a-year-in-review-with-svx-2019-3a41d9a71714>

124 SVX. (2020). *SVX COVID-19 General Update 2: A Call to Action*. SVX Medium. Available at: <https://medium.com/@theSVX/svx-covid-19-general-update-2-8fc0870bc9a>

125 SVX. (2020). *Stronger Together -Solidarity Statement*. SVX Medium. Available at: <https://medium.com/@theSVX/stronger->

together-solidarity-statement-1042c0479d55

126 Digjamaica. (2019). *6 things to know about the Jamaica Social Stock Exchange*. Digjamaica. Available at: <http://digjamaica.com/m/blog/6-things-know-jamaica-social-stock-exchange/>

127 JSE. (2018). *What is the Jamaica Social Stock Exchange?*. Jamaica Stock Exchange. Available at: <https://www.jamstockex.com/what-is-the-jamaica-social-stock-exchange/>

128 JSE. (2020). *JSE and IDB launch social project on 'innovating social sector financing'*. Jamaica Stock Exchange. Available at: <https://www.jamstockex.com/jse-and-idb-launch-social-project-on-innovating-social-sector-financing/#:~:text=In%20January%202019%2C%20the%20Jamaica,the%20social%20sector%20of%20Jamaica>

129 Terms and conditions. Jamaica Social Stock Exchange. Available at: <https://jsse.jamstockex.com/assets/pdfs/terms.pdf>

130 JSE. (2019). *Jamaica Stock Exchange annual report 2019*. Available at: <https://www.jamstockex.com/wp-content/uploads/2020/07/JSE-Annual-Report-2019-Part-1-1.pdf>

131 FAQs. Jamaica Social Stock Exchange. Available at: <https://jsse.jamstockex.com/faq>

132 Collinder, A. (2018). *Two-step rollout for social stock exchange- donation site goes live January; second phase awaits legislation*. The Jamaica Gleaner. Available at: <http://jamaica-gleaner.com/article/business/20181109/two-step-rollout-social-stock-exchange-donation-site-goes-live-january>

133 Jamaica Social Stock Exchange official website. Available at: <https://jsse.jamstockex.com/>

134 Collinder, A. (2018). *Two-step rollout for social stock exchange- donation site goes live January; second phase awaits legislation*. The Jamaica Gleaner. Available at: <http://jamaica-gleaner.com/article/business/20181109/two-step-rollout-social-stock-exchange-donation-site-goes-live-january>

135 GOJ. *The Charities Act 2013*. Ministry of Justice, Government of Jamaica. Available at: <https://moj.gov.jm/sites/default/files/laws/The%20Charities%20Act.pdf>

136 (2015). *Charity Brochure*. Government of Jamaica. Available at: <https://dcfs.gov.jm/Forms/DCFS%20Brochure%20-%20Charity%20-%20Updated%20Sept%2030,%202015.pdf>

137 FAQs. Jamaica Social Stock Exchange. Available at: <https://jsse.jamstockex.com/faq>

138 Molina, H. (2020). *JSE embarks on campaign to promote Jamaica Social Stock Exchange*. Entornointeligente. Available at: <https://www.entornointeligente.com/jse-embarks-on-campaign-to-promote-jamaica-social-stock-exchange-2/>

139 FAQs. Jamaica Social Stock Exchange. Available at: <https://jsse.jamstockex.com/faq>

140 Create a new JSSE account. Jamaica Social Stock Exchange. Available at: <https://jsse.jamstockex.com/auth/sign-up>

141 Jamaica Social Stock Exchange official website. Available at: <https://jsse.jamstockex.com/>

142 Molina, H. (2020). *JSE embarks on campaign to promote Jamaica Social Stock Exchange*. Entornointeligente. Available at: <https://www.entornointeligente.com/jse-embarks-on-campaign-to-promote-jamaica-social-stock-exchange-2/>

143 FAQs. Jamaica Social Stock Exchange. Available at: <https://jsse.jamstockex.com/faq>

144 JSE. (2020). *JSE and IDB launch social project on 'innovating social sector financing'*. Jamaica Stock Exchange. Available at: <https://www.jamstockex.com/jse-and-idb-launch-social-project-on-innovating-social-sector-financing/#:~:text=In%20January%202019%2C%20the%20Jamaica,the%20social%20sector%20of%20Jamaica>

145 Radio News Jamaica. (2020). *JSE signs deal with IDB to upgrade Jamaica Social Stock Exchange*. Radio News Jamaica. Available at: <http://radiojamaicanewsonline.com/business/jse-signs-deal-with-idb-to-upgrade-jamaica-social-stock-exchange>

146 Jamaica Social Stock Exchange official website. Available at: <https://jsse.jamstockex.com/>

147 Wiren. (2020). *Deaf Can! Lists as first social enterprise on JSSE*. Sudobe. Available at: <https://sudobe.sr/2020/02/26/deaf-can-lists-as-first-social-enterprise-on-jsse/>

148 Jamaica Social Stock Exchange official website. Available at: <https://jsse.jamstockex.com/>

149 Jamaica Social Stock Exchange official website. Available at: <https://jsse.jamstockex.com/>

150 Crespo, L. (2009). *Social stock exchange with one million euros of investment*. Cofina media. Available at: [https://www.jornaldenegocios.pt/economia/detalhe/bolsa\\_de\\_valores\\_sociais\\_com\\_um\\_milhatildeo\\_de\\_euros\\_de\\_investimento\\_cotado](https://www.jornaldenegocios.pt/economia/detalhe/bolsa_de_valores_sociais_com_um_milhatildeo_de_euros_de_investimento_cotado)

151 Alliance magazine. (2009). *Lisbon launches social stock exchange*. Alliance magazine. Available at: <https://www.alliancemagazine.org/news/lisbon-launches-social-stock-exchange/>

152 Grecco, C. (2011). *The revolutionary idea of quoting solidarity on the stock exchange*. Destak. Available at: <http://www.destak.pt/artigo/86497-a-ideia-revolucionaria-de-cotar-a-solidariedade-na-bolsa-de-valores>

153 Nelson, C. (2017). *Towards an impact investment ecosystem: from CSR to the Jamaica Social Stock Exchange*. Investments and Capital Markets Conference. Available at: <https://www.jamstockex.com/wp-content/uploads/2015/03/14.30-p.m.-Claire-Nelson.pdf>

154 Grecco, C. (2011). *The revolutionary idea of quoting solidarity on the stock exchange*. Destak. Available at: <http://www.destak.pt/artigo/86497-a-ideia-revolucionaria-de-cotar-a-solidariedade-na-bolsa-de-valores>

155 Alliance magazine. (2009). *Lisbon launches social stock exchange*. Alliance magazine. Available at: <https://www.alliancemagazine.org/news/lisbon-launches-social-stock-exchange/>

156 Aprendercrescerconcretizar. (2011). *Three projects already financed on the social exchange*. Aprendercrescerconcretizar.wordpress. Available at: <https://aprendercrescerconcretizar.wordpress.com/category/bolsa-valores-sociais/>

157 Social stock exchange. Calouste Gulbenkian Foundation. Available at: <https://gulbenkian.pt/en/project/social-stock-exchange/>

158 Nunes, P. (2018). *Social Stock Exchange (VHL)*. Available at: <https://knoow.net/cienciaconempr/financas/bolsa-de-valores-sociais-bvs/>

- 159 Balonas, S. (2012). *The third sector and the imperative of professionalization*. Available at: <https://repositorium.sdum.uminho.pt/bitstream/1822/27687/1/third%20sector%20and%20the%20imperative%20of%20professionalization.pdf>
- 160 RCC. (2009). *Social stock exchange created in Portugal*. Available at: <http://www.rcc.gov.pt/Noticias/hist%C3%B3rico/2009nov/Paginas/Bolsa-de-Valores-Sociais-criada-em-Portugal---.aspx>
- 161 Expresso. (2009). *Social stock exchange with three new listed projects*. Available at: <https://expresso.pt/economia/bolsa-de-valores-sociais-com-tres-novos-projectos-cotados=f552067>
- 162 BVS official website. Available at: <http://www.bvs.org.pt>
- 163 Guillaume, F. (2015). *Social innovation in Portugal*. Europe Tomorrow. Available at: <http://europetomorrow.org/social-innovation-portugal/>
- 164 RCC. (2009). *Social stock exchange created in Portugal*. Available at: <http://www.rcc.gov.pt/Noticias/hist%C3%B3rico/2009nov/Paginas/Bolsa-de-Valores-Sociais-criada-em-Portugal---.aspx>
- 165 Balonas, S. (2012). *The third sector and the imperative of professionalization*. Available at: <https://repositorium.sdum.uminho.pt/bitstream/1822/27687/1/third%20sector%20and%20the%20imperative%20of%20professionalization.pdf>
- 166 European Union. (2014). *A map of social enterprises and their eco-systems in Europe: country report for Portugal*. European Union. Available at: <https://ec.europa.eu/social/BlobServlet?docId=12998&langId=en>
- 167 Grecco, C. (2011). *The revolutionary idea of quoting solidarity on the stock exchange*. Destak. Available at: <http://www.destak.pt/artigo/86497-a-ideia-revolucionaria-de-cotar-a-solidariedade-na-bolsa-de-valores>
- 168 Bernardino, S. and Santos, J.F. (2015). 'Antecedents of a new social venture in Portugal: The influence of education and professional background'. *Instituto Politecnico do Cavado e do Ave (IPCA)*, 13(2), p.122-134. . Available at: <https://www.sciencedirect.com/science/article/abs/pii/S1645991116300196>
- 169 Van-Dunem, R. (2014). *New options: social stock exchange*. Portal de Angola. Available at: <https://www.portaldeangola.com/2014/10/06/novas-opcoes-bolsa-de-valores-sociais/>
- 170 Balonas, S. (2012). *The third sector and the imperative of professionalization*. Available at: <https://repositorium.sdum.uminho.pt/bitstream/1822/27687/1/third%20sector%20and%20the%20imperative%20of%20professionalization.pdf>
- 171 European Union. (2014). *A map of social enterprises and their eco-systems in Europe: Country report for Portugal*. European Union. Available at: <https://ec.europa.eu/social/BlobServlet?docId=12998&langId=en>
- 172 Nunes, P. (2018). *Social Stock Exchange (VHL)*. Available at: <https://knoww.net/cienciaeconempr/financas/bolsa-de-valores-sociais-bvs/>
- 173 Bastisteli0, R. (2009). *The Portuguese social stock exchange*. Mario Blog. Available at: <https://mariolobato.blogspot.com/2009/11/bolsa-de-valores-sociais-de-portugal.html>
- 174 Lusa. (2009). *Social stock exchange is born in Portugal*. Acoriano Oriental. Available at: <https://www.acorianooriental.pt/noticia/bolsa-de-valores-sociais-nasce-em-portugal-195701>
- 175 Van-Dunem, R. (2014). *New options: social stock exchange*. Portal de Angola. Available at: <https://www.portaldeangola.com/2014/10/06/novas-opcoes-bolsa-de-valores-sociais/>
- 176 Grecco, Ce. (2011). *The revolutionary idea of quoting solidarity on the stock exchange*. Destak. Available at: <http://www.destak.pt/artigo/86497-a-ideia-revolucionaria-de-cotar-a-solidariedade-na-bolsa-de-valores>
- 177 Capital Aldei project- social stock exchange. Available at: <https://www.adcmoura.pt/html/bvs.htm>
- 178 European Union. (2014). *A map of social enterprises and their eco-systems in Europe: Country report for Portugal*. European Union. Available at: <https://ec.europa.eu/social/BlobServlet?docId=12998&langId=en>
- 179 Bernardino, S. and Santos, J.F. (2015). 'Antecedents of a new social venture in Portugal: The influence of education and professional background'. *Instituto Politecnico do Cavado e do Ave (IPCA)*, 13(2), p.122-134. . Available at: <https://www.sciencedirect.com/science/article/abs/pii/S1645991116300196>
- 180 Stilwell, I. (2010). *In search of vaccines against poverty*. Destak. Available at: <http://www.destak.pt/opiniao/80414-em-busca-de-vacinas-contra-a-pobreza>
- 181 Costa, T., Carvalho, L. (2012). *Portuguese social stock exchange- assessment of sustainability*. Proceedings of the 7th European Conference on Entrepreneurship and Innovation.
- 182 Galina *et al.* (2013). 'Determinants of attractiveness in social stock exchange' *Journal of Sustainability Science and Management*, 3(4), p.157-172. Available at: [https://www.researchgate.net/publication/268504739\\_Determinants\\_of\\_Attractiveness\\_in\\_Social\\_Stock\\_Exchange#:~:text=way%2C%20the%20stock%20exchange%20classifies,sustainability%20and%20performance%20were%20evaluated.](https://www.researchgate.net/publication/268504739_Determinants_of_Attractiveness_in_Social_Stock_Exchange#:~:text=way%2C%20the%20stock%20exchange%20classifies,sustainability%20and%20performance%20were%20evaluated.)
- 183 Bernardino, S., Santos, J. and Ribeiro, J. (2016). 'Financing local development through crowdfunding: an empirical analysis of social projects in Portugal'. *1st AMSR Congress and the 23rd APDR Congress*, pp. 102-114. Available at: [https://recipp.ipp.pt/bitstream/10400.22/8342/1/Proceedings\\_AMSR-and-APDR-Congress-May-30-31-2016-Marrakech-Morocc\\_Art%20Financing%20local%20development%20through%20crowdfunding.pdf](https://recipp.ipp.pt/bitstream/10400.22/8342/1/Proceedings_AMSR-and-APDR-Congress-May-30-31-2016-Marrakech-Morocc_Art%20Financing%20local%20development%20through%20crowdfunding.pdf)
- 184 Ibid
- 185 Joao Lopes, M. (2013). *Social stock exchange has collected little money*. Available at: <https://www.publico.pt/2013/12/22/sociedade/noticia/bolsa-de-valores-sociais-tem-reunido-pouco-dinheiro-1617171>
- 186 IIX. (2017) Bridging the gap between development and finance. Impact Investment Exchange Asia. Available at [https://www.unescap.org/sites/default/files/IIx%20Shujog\\_Case%20Study\\_24032016.pdf](https://www.unescap.org/sites/default/files/IIx%20Shujog_Case%20Study_24032016.pdf)
- 187 Dawra, P. and Philip, J. (2013). *Durreen Shahnaz: Capital markets with a conscience*. Mint. Available at <https://www.livemint.com/Money/xtR90bH85Rcd1EMXYweX3K/Durreen-Shahnaz--Capital-markets-with-a-conscience.html>

- 188 IIX. (2017) *Bridging the gap between development and finance*. Impact Investment Exchange Asia. Available at [https://www.unescap.org/sites/default/files/IIX%20Shujog\\_Case%20Study\\_24032016.pdf](https://www.unescap.org/sites/default/files/IIX%20Shujog_Case%20Study_24032016.pdf)
- 189 Ibid
- 190 Dadush, S. (2015). 'Regulating social finance: can social stock exchanges meet the challenge?' *Penn Law: Legal Scholarship Repository*, 37(1), pp. 139-230. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jil>
- 191 Ibid
- 192 IIX. (2017). *Impact Exchange Board Listing Guide*. IIX. Available at [https://iixglobal.com/wp-content/uploads/2017/04/Impact\\_Exchange\\_Listing\\_Guide-2017-1.pdf](https://iixglobal.com/wp-content/uploads/2017/04/Impact_Exchange_Listing_Guide-2017-1.pdf)
- 193 Dadush, S. (2015). 'Regulating social finance: can social stock exchanges meet the challenge?' *Penn Law: Legal Scholarship Repository*, 37(1), pp. 139-230. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jil>
- 194 IIX. (2017). *Impact Exchange Board Listing Guide*. IIX. Available at [https://iixglobal.com/wp-content/uploads/2017/04/Impact\\_Exchange\\_Listing\\_Guide-2017-1.pdf](https://iixglobal.com/wp-content/uploads/2017/04/Impact_Exchange_Listing_Guide-2017-1.pdf)
- 195 Ibid
- 196 Ibid
- 197 Ibid
- 198 Ibid
- 199 Ibid
- 200 Dadush, S. (2015). 'Regulating social finance: can social stock exchanges meet the challenge?' *Penn Law: Legal Scholarship Repository*, 37(1), pp. 139-230. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jil>
- 201 Ibid
- 202 Ibid
- 203 IIX. (2017). *Impact Exchange Board Listing Guide*. IIX. Available at [https://iixglobal.com/wp-content/uploads/2017/04/Impact\\_Exchange\\_Listing\\_Guide-2017-1.pdf](https://iixglobal.com/wp-content/uploads/2017/04/Impact_Exchange_Listing_Guide-2017-1.pdf)
- 204 Ibid
- 205 Dadush, S. (2015). 'Regulating social finance: can social stock exchanges meet the challenge?' *Penn Law: Legal Scholarship Repository*, 37(1), pp. 139-230. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jil>
- 206 IIX. (2017). *Impact Exchange Board Listing Guide*. IIX. Available at [https://iixglobal.com/wp-content/uploads/2017/04/Impact\\_Exchange\\_Listing\\_Guide-2017-1.pdf](https://iixglobal.com/wp-content/uploads/2017/04/Impact_Exchange_Listing_Guide-2017-1.pdf)
- 207 Ibid
- 208 IIX. (2017). *Impact Exchange Board Listing Guide*. IIX. Available at [https://iixglobal.com/wp-content/uploads/2017/04/Impact\\_Exchange\\_Listing\\_Guide-2017-1.pdf](https://iixglobal.com/wp-content/uploads/2017/04/Impact_Exchange_Listing_Guide-2017-1.pdf)
- 209 Nelson, C. (2017). *Towards an impact investment ecosystem: from CSR to the Jamaica Social Stock Exchange*. Investments and Capital Markets Conference. Available at: <https://www.jamstockex.com/wp-content/uploads/2015/03/14.30-p.m.-Claire-Nelson.pdf>
- 210 SA NGO Pulse. (2009). *Making giving more effective*. SA NGO Pulse. Available at: <http://www.ngopulse.org/article/making-giving-more-effective>
- 211 Hinton, J. (2007). *Corporate social investment and housing microfinance*. Private Property. Available at: <https://www.privateproperty.co.za/advice/property/articles/corporate-social-investment-and-housing-microfinance/886>
- 212 Alliance magazine. (2006). *South African social stock exchange launched*. Alliance magazine. Available at: <https://www.alliancemagazine.org/news/south-african-social-stock-exchange-launched/>
- 213 Jackson, T., and Harji, K. (2012). *Unlocking capital, activating a movement*. Rockefeller Foundation. Available at: <https://www.rockefellerfoundation.org/wp-content/uploads/Impact-Investing-Evaluation-Report-20121.pdf>
- 214 KPMG. (2020). *Analysing the concept of social stock exchange in India*. KPMG. Available at: <https://home.kpmg/content/dam/kpmg/in/pdf/2020/07/analysing-the-concept-of-social-stock-exchange-in-india.pdf>
- 215 Chhichhia, B. (2012). *Social stock exchanges- innovative financing for international development*. Loyala University Chicago. Available at: <https://www.semanticscholar.org/paper/SOCIAL-STOCK-EXCHANGES-%E2%80%93-INNOVATIVE-FINANCING-FOR-Miss-Vijay/89e2c9d0e70a3631f504889fd23737825a52a794>
- 216 Jackson, T., and Harji, K. (2012). *Unlocking capital, activating a movement*. Rockefeller Foundation. Available at: <https://www.rockefellerfoundation.org/wp-content/uploads/Impact-Investing-Evaluation-Report-20121.pdf>
- 217 Alliance magazine. (2006). *South African social stock exchange launched*. Alliance magazine. Available at: <https://www.alliancemagazine.org/news/south-african-social-stock-exchange-launched/>
- 218 Chhichhia, B. (2012). *Social stock exchanges- innovative financing for international development*. Loyala University Chicago. Available at: <https://www.semanticscholar.org/paper/SOCIAL-STOCK-EXCHANGES-%E2%80%93-INNOVATIVE-FINANCING-FOR-Miss-Vijay/89e2c9d0e70a3631f504889fd23737825a52a794>
- 219 Bonbright, D., Kirttopoulou, N and Iverson, L. (2008). *Online philanthropy markets: from 'feel-food' giving to effective social investing?*. The Aspen Institute. Available at: [https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/nspp\\_Keystone\\_OnlinePhilanthropyMarkets.pdf](https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/nspp_Keystone_OnlinePhilanthropyMarkets.pdf)
- 220 SA NGO Pulse. (2009). *Making giving more effective*. SA NGO Pulse. Available at: <http://www.ngopulse.org/article/making-giving-more-effective>
- 221 Balasubramiam, R. et al. (2020). *Roadmap of social enterprise ecosystem as a precursor for a viable stock exchange in India*. Grassroots Research and Advocacy Movement (GRAAM). Available at: <https://civilsocietyonline.com/static/media/>

static/2020/07/21/NABARD\_SSE\_Study\_report\_nNqYkuD.pdf

222 Wendt, K. (2017). 'Social stock exchanges- democratization of capital investing for impact'. *30th Australasian Finance and Banking Conference*. Available at: [https://www.researchgate.net/publication/324658529\\_Social\\_Stock\\_Exchanges\\_-\\_Democratization\\_of\\_Capital\\_Investing\\_for\\_Impact](https://www.researchgate.net/publication/324658529_Social_Stock_Exchanges_-_Democratization_of_Capital_Investing_for_Impact)

223 KPMG. (2020). *Analysing the concept of social stock exchange in India*. KPMG. Available at: <https://home.kpmg/content/dam/kpmg/in/pdf/2020/07/analysing-the-concept-of-social-stock-exchange-in-india.pdf>

224 Alliance magazine. (2009). *SASIX offers new opportunities for South African investors*. Alliance magazine. Available at: <https://www.alliancemagazine.org/news/sasix-offers-new-opportunities-for-south-african-investors/>

225 Balasubramaniam, R. *et al.* (2020). *Roadmap of social enterprise ecosystem as a precursor for a viable stock exchange in India*. Grassroots Research and Advocacy Movement (GRAAM). Available at: [https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD\\_SSE\\_Study\\_report\\_nNqYkuD.pdf](https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD_SSE_Study_report_nNqYkuD.pdf)

226 Chhichhia, B. (2012). *Social stock exchanges- innovative financing for international development*. Loyola University Chicago. Available at: <https://www.semanticscholar.org/paper/SOCIAL-STOCK-EXCHANGES-%E2%80%93-INNOVATIVE-FINANCING-FOR-Miss-Vijay/89e2c9d0e70a3631f504889fd23737825a52a794>

227 Bonbright, D., Kiryttopoulou, N and Iverson, L. (2008). *Online philanthropy markets: from 'feel-food' giving to effective social investing?*. The Aspen Institute. Available at: [https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/nspp\\_Keystone\\_OnlinePhilanthropyMarkets.pdf](https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/nspp_Keystone_OnlinePhilanthropyMarkets.pdf)

228 GreaterGood Services. Available at: <http://www.greatergoodsa.co.za/our-services/>

229 Hoffman, L and Notcutt, K. (2013). *Creating the nexus for impact investing: a case study*. Impact Trust. Available at: <http://www.impacttrust.org.uk/wp-content/uploads/2019/05/Nexii-CS-2013.pdf>

230 Alliance magazine. (2009). *SASIX offers new opportunities for South African investors*. Alliance magazine. Available at: <https://www.alliancemagazine.org/news/sasix-offers-new-opportunities-for-south-african-investors/>

231 Hoffman, L and Notcutt, K. (2013). *Creating the nexus for impact investing: a case study*. Impact Trust. Available at: <http://www.impacttrust.org.uk/wp-content/uploads/2019/05/Nexii-CS-2013.pdf>

232 Alliance magazine. (2009). *SASIX offers new opportunities for South African investors*. Alliance magazine. Available at: <https://www.alliancemagazine.org/news/sasix-offers-new-opportunities-for-south-african-investors/>

233 KPMG. (2020). *Analysing the concept of social stock exchange in India*. KPMG. Available at: <https://home.kpmg/content/dam/kpmg/in/pdf/2020/07/analysing-the-concept-of-social-stock-exchange-in-india.pdf>

234 Bonbright, D., Kiryttopoulou, N and Iverson, L. (2008). *Online philanthropy markets: from 'feel-food' giving to effective social investing?*. The Aspen Institute. Available at: [https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/nspp\\_Keystone\\_OnlinePhilanthropyMarkets.pdf](https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/nspp_Keystone_OnlinePhilanthropyMarkets.pdf)

235 KPMG. (2020). *Analysing the concept of social stock exchange in India*. KPMG. Available at: <https://home.kpmg/content/dam/kpmg/in/pdf/2020/07/analysing-the-concept-of-social-stock-exchange-in-india.pdf>

236 Sunday Times. (2006). *Investing in good causes takes off*. Sunday Times. Available at: <https://www.pressreader.com/south-africa/sunday-times-1107/20061210/283764194527171>

237 Hinton, J. (2007). *Corporate social investment and housing microfinance*. Private Property. Available at: <https://www.privateproperty.co.za/advice/property/articles/corporate-social-investment-and-housing-microfinance/886>

238 Ractliffe, T. (2008). *From classic capitalism to social finance: GSIX- A Global Social Investment Exchange*. Buckminster Fuller Institute. Available at: <https://www.bfi.org/ideaindex/projects/2018/global-social-investment-exchange-sasix>

239 Edwards, D. SASIX. Prezi. Available at: <https://prezi.com/xtatxjzfly-/sasix/>

240 Alliance magazine. (2009). *SASIX offers new opportunities for South African investors*. Alliance magazine. Available at: <https://www.alliancemagazine.org/news/sasix-offers-new-opportunities-for-south-african-investors/>

241 SAIIN. (2009). *Opportunities for impact investing in South Africa preliminary findings*. South African Impact Investing network (SAIIN). Available at: <http://www.impacttrust.org.uk/wp-content/uploads/2019/05/SAIIN-A4-FINAL-1.pdf>

242 Galina *et al.* (2013). 'Determinants of attractiveness in social stock exchange' *Journal of Sustainability Science and Management*, 3(4),p.157-172. Available at: [https://www.researchgate.net/publication/268504739\\_Determinants\\_of\\_Attractiveness\\_in\\_Social\\_Stock\\_Exchange#:~:text=way%2C%20the%20stock%20exchange%20classifies,sustainability%20and%20performance%20were%20evaluated.](https://www.researchgate.net/publication/268504739_Determinants_of_Attractiveness_in_Social_Stock_Exchange#:~:text=way%2C%20the%20stock%20exchange%20classifies,sustainability%20and%20performance%20were%20evaluated.)

243 Ibid

244 Vos, E. and Oberholzer, N. (2018). *An analysis of the status of CSR practice in the South African business context: a framework for analysis*. ICOAE 2018. Springer Proceedings in Business and Economics, p.1-13. Springer, Cham. Available at: [https://link.springer.com/chapter/10.1007/978-3-030-02194-8\\_1](https://link.springer.com/chapter/10.1007/978-3-030-02194-8_1)

245 Bonbright, D., Kiryttopoulou, N and Iverson, L. (2008). *Online philanthropy markets: from 'feel-food' giving to effective social investing?*. The Aspen Institute. Available at: [https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/nspp\\_Keystone\\_OnlinePhilanthropyMarkets.pdf](https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/nspp_Keystone_OnlinePhilanthropyMarkets.pdf)

246 Alliance magazine. (2009). *SASIX offers new opportunities for South African investors*. Alliance magazine. Available at: <https://www.alliancemagazine.org/news/sasix-offers-new-opportunities-for-south-african-investors/>

247 Waggoner, B. (2010). *Tamzin Ractliffe on social profits + new frontiers in social investing*. Social Enterprises. Available at: <https://socialenterprises.wordpress.com/2010/02/12/tamzin-ractliffe-on-social-profits-new-frontiers-in-social-investing/>

248 Rimmer, A. (2013). *Social Stock Exchange is launched with 12 member companies*. ThirdSector. Available at: <https://www.thirdsector.co.uk/social-stock-exchange-launched-12-member-companies/finance/article/1185336>

249 Dadush, S. (2015). 'Regulating social finance: can social stock exchanges meet the challenge?' *Penn Law: Legal Scholarship*

Repository, 37(1), pp. 139-230. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jill>

250 Spires, W. (2013). *Preparing for impact- how impact investing has got the city talking*. Wealth Briefing Asia. Available at: <https://www.wealthbriefingasia.com/article.php?id=56225#.X4wzZJMzagQ>

251 Wendt, K. (2017). 'Social stock exchanges- democratization of capital investing for impact'. *30th Australasian Finance and Banking Conference*. Available at: [https://www.researchgate.net/publication/324658529\\_Social\\_Stock\\_Exchanges\\_-\\_Democratization\\_of\\_Capital\\_Investing\\_for\\_Impact](https://www.researchgate.net/publication/324658529_Social_Stock_Exchanges_-_Democratization_of_Capital_Investing_for_Impact)

252 Dadush, S. (2015). 'Regulating social finance: can social stock exchanges meet the challenge?' *Penn Law: Legal Scholarship Repository*, 37(1), pp. 139-230. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jill>

253 Social Stock Exchange official website. Available at: <http://www.socialstockexchange.com/>

254 Wendt, K. (2017). 'Social stock exchanges- democratization of capital investing for impact'. *30th Australasian Finance and Banking Conference*. Available at: [https://www.researchgate.net/publication/324658529\\_Social\\_Stock\\_Exchanges\\_-\\_Democratization\\_of\\_Capital\\_Investing\\_for\\_Impact](https://www.researchgate.net/publication/324658529_Social_Stock_Exchanges_-_Democratization_of_Capital_Investing_for_Impact)

255 Mair, V. (2018). *UK's Social Stock Exchange changes structure to become licensing body*. Responsible Investor. Available at: <https://www.responsible-investor.com/articles/ssx-rejig>

256 Manning, T. (2016). *Financing Mechanisms to Support Sustainable Practices*. NYU Stern Center for Sustainable Business. Available at: [https://www.stern.nyu.edu/sites/default/files/assets/documents/Sustainable%20Finance%20Survey\\_NYU%20CSB\\_Final\\_9.20.2016.pdf](https://www.stern.nyu.edu/sites/default/files/assets/documents/Sustainable%20Finance%20Survey_NYU%20CSB_Final_9.20.2016.pdf)

257 Dadush, S. (2015). 'Regulating social finance: can social stock exchanges meet the challenge?' *Penn Law: Legal Scholarship Repository*, 37(1), pp. 139-230. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jill>

258 Stewart, N. (2012). *The rise of social stock exchanges*. IR magazine. Available at: <https://www.irmagazine.com/reporting/rise-social-exchanges>

259 Ibid

260 SSX. (2016). *Social stock exchange research book*. All Street Research. Available at: <https://www.slideshare.net/ClementHuret/all-street-social-stock-exchange-research-book-2016-58426872>

261 Dadush, S. (2015). 'Regulating social finance: can social stock exchanges meet the challenge?' *Penn Law: Legal Scholarship Repository*, 37(1), pp. 139-230. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jill>

262 SSX. (2016). *Social stock exchange research book*. All Street Research. Available at: <https://www.slideshare.net/ClementHuret/all-street-social-stock-exchange-research-book-2016-58426872>

263 Sinha, V. (2020). *Social stock exchanges: markets' approach to socialism?*. The Arthniti. Available at: <http://xaviers.edu.in/ojs3/index.php/arthniti/article/view/119/80>

264 Jethi, P. (2014). *The Social Stock Exchange: an example of an impact authentication process*. Philanthropy Impact Magazine. Available at: [https://www.philanthropy-impact.org/sites/default/files/user-uploads/the\\_social\\_stock\\_exchange.pdf](https://www.philanthropy-impact.org/sites/default/files/user-uploads/the_social_stock_exchange.pdf)

265 Ibid

266 Dadush, S. (2015). 'Regulating social finance: can social stock exchanges meet the challenge?' *Penn Law: Legal Scholarship Repository*, 37(1), pp. 139-230. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jill>

267 Ibid

268 SSX. (2016). *Social Stock Exchange Impact Report*. Social Stock Exchange. Available at: <https://www.slideshare.net/ClementHuret/ssximpact-report2016>

269 Dadush, S. (2015). 'Regulating social finance: can social stock exchanges meet the challenge?' *Penn Law: Legal Scholarship Repository*, 37(1), pp. 139-230. Available at: <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1906&context=jill>

270 *Social Stock Exchange family offices conference flyer*. Social Stock Exchange. Available at: <https://www.philanthropy-impact.org/sites/default/files/user-uploads/ssx-conference-flye.pdf>

271 Balasubramaniam, R. et al. (2020). *Roadmap of social enterprise ecosystem as a precursor for a viable stock exchange in India*. Grassroots Research and Advocacy Movement (GRAAM). Available at: [https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD\\_SSE\\_Study\\_report\\_nNqYkuD.pdf](https://civilsocietyonline.com/static/media/static/2020/07/21/NABARD_SSE_Study_report_nNqYkuD.pdf)

272 Khan, F. (2019). *Are social stock exchanges (SSE) the future of impact investing?*. Data Driven Investor. Available at: <https://www.datadriveninvestor.com/2019/04/10/are-social-stock-exchanges-sse-future-of-impact-investing/#>

273 SSX. (2016). *Social stock exchange research book*. All Street Research. Available at: <https://www.slideshare.net/ClementHuret/all-street-social-stock-exchange-research-book-2016-58426872>

274 SSX. (2016). *Social Stock Exchange Impact Report*. Social Stock Exchange. Available at: <https://www.slideshare.net/ClementHuret/ssximpact-report2016>

275 *How stock exchanges can advance gender equality*. Sustainable Stock Exchanges. Available at: <https://www.unpri.org/Uploads/g/z/q/How-stock-exchanges-can-advance-gender-equality.pdf>

276 SSX. (2016). *Social Stock Exchange Impact Report*. Social Stock Exchange. Available at: <https://www.slideshare.net/ClementHuret/ssximpact-report2016>

277 Ibid

278 Wendt, K. (2017). 'Social stock exchanges- democratization of capital investing for impact'. *30th Australasian Finance and Banking Conference*. Available at: [https://www.researchgate.net/publication/324658529\\_Social\\_Stock\\_Exchanges\\_-\\_Democratization\\_of\\_Capital\\_Investing\\_for\\_Impact](https://www.researchgate.net/publication/324658529_Social_Stock_Exchanges_-_Democratization_of_Capital_Investing_for_Impact)

**ICNL**  
INTERNATIONAL CENTER  
FOR NOT-FOR-PROFIT LAW

 **Samhita**  
A BETTER NORMAL

---

1126 16th Street NW, Suite 400  
Washington, DC 20036 USA

 [www.icnl.org](http://www.icnl.org)

 [facebook.com/ICNLIAlliance](https://facebook.com/ICNLIAlliance)  [twitter.com/ICNLIAlliance](https://twitter.com/ICNLIAlliance)