

Torus Kling Blockchain to launch India's first crypto futures ETF

Likely to go live by March in India INX at GIFT IFSC



Torus Kling Blockchain is aiming for \$1 bn AUM in the first two years

KR SRIVATS

New Delhi, January 13

Torus Kling Blockchain IFSC, a 50:50 joint venture between Sam Ghosh promoted Cosmea Financial Holdings (CFH) and Kling Trading India, signed an MOU with India INX to launch the country's first Bitcoin and Ethereum Futures ETF and Metaverse US-listed large cap discount certificates.

This will be the first crypto-backed futures ETF outside of US and the first Asian discount certificates tracking Metaverse large cap stocks in US and Europe markets. Torus Kling Blockchain will be the liquidity provider to India INX by providing round the clock

deep liquidity with smart order routing. The product will be distributed through Torus global distribution team and partners. Torus Kling Blockchain is targeting \$1 billion assets under management (AUM) in the first two years.

'Product innovation'

"India INX at GIFT IFSC is looking at exploring launch of digital asset-based products and has

already made an application to IFSCA under Regulatory Sandbox. This is a part of our product innovation initiative to benchmark offerings with other international finance centres. We will be launching products in these new age assets in compliance with the prevailing laws," said V Balasubramaniam, Managing Director & CEO, India INX.

Krishna Mohan Meenavalli, CEO, Torus Kling Blockchain IFSC, said that new asset class is just the tip of the iceberg and 10% of the iceberg. Change trade products allowing through regular investment accounts, bypassing the hassle and security concerns of cryptocurrency exchanges. "Torus Kling Blockchain IFSC plans to launch the ETF in Gift City by the end of this fiscal, subject to IFSCA and other regulatory approvals," Meenavalli told *BusinessLine*.

Torus Kling eyes 1st crypto futures ETF

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NEW DELHI

Torus Kling Blockchain IFSC, a joint venture between Cosmea Financial Holdings and Kling Trading India, has signed a memorandum of understanding (MoU) with India INX to launch the country's first Bitcoin and Ethereum futures exchange-traded funds (ETFs) — the first outside of the US.

As per the MoU, India INX will be the trading platform and Cosmea Financial Holdings will do the distribution, while Kling Trading will be the technology partner.

Cosmea, promoted by ex-Reliance Capital CEO Sam Ghosh, has applied to the Reserve Bank of India for a small finance bank licence and is awaiting regulatory approval.

India INX, BSE's international arm, started trading activities in 2017 and is India's first international exchange set up at the GIFT IFSC.

Torus Kling Blockchain IFSC will be the liquidity provider to India INX by providing round-the-clock liquidity with smart order routing. The ETF futures are expected to be launched by the end of this fiscal under a sandbox construct of the International Financial Services Centres Authority. The launch of the products is subject to IFSCA and other regulatory approvals. "Exchange trade products allow trading through regular investment accounts, bypassing the hassle and security



Torus Kling has signed an MoU with India INX for launching the ETF, a first in India.

concerns of cryptocurrency exchanges," said Krishna Mohan Meenavalli, CEO, Torus Kling Blockchain IFSC.

Apart from the digital assets, the GIFT City startup is also launching US-listed large-cap discount certificates of metaverse companies. The company says, these will be the first Asian discount certificates tracking metaverse large-cap stocks in the US and European markets.

Torus Kling Blockchain is targeting \$1 billion in assets under management in the first two years from customers participating in blockchain-backed products through ETFs and discount certificates.

According to the company, these targets are based on getting regulatory approvals for launching these products. "India INX at GIFT IFSC is looking at exploring launch of digital asset-based products and has already made an application to IFSCA under regulatory sandbox," said V. Balasubramaniam, managing director and CEO, India INX.

India's first Bitcoin ETF likely to come up in GIFT City

FE BUREAU
Mumbai, January 13

INDIA'S FIRST BITCOIN and Ethereum Futures ETF could come up in Gift City if the International Financial Services Centre (IFSCA) gives its blessings to India INX.

The international arm of BSE along with Kling Block Chain IFSC has sought approvals to launch digital asset-based products at the GIFT IFSC. The exchange has signed a memorandum of understanding with Kling Block Chain IFSC to explore and launch the products.

V Balasubramaniam, MD & CEO, India INX, said, "India INX at GIFT IFSC is looking at exploring launch of digital asset-based products and has already made an application to IFSCA under Regulatory Sandbox. This is a part of our product innovation ini-

COMING SOON

- The digital asset-based products will be launched under the sandbox construct
- These will be the first crypto-backed futures ETF outside US
- If IFSCA gives its approval, domiciled Indians will be able to invest in a crypto ETF through brokers registered with INX

tiative for benchmark our offerings with other international finance centres. We will be launching products in these new-age assets in complete compliance with the pre-

valuing laws after receiving all required regulatory approvals."

Torus Kling Blockchain IFSC, a 50:50 joint venture between Sam Ghosh-promoted Cosmea Financial Holdings and Kling Trading India, is looking at India's first Bitcoin and Ethereum Futures ETF and Metaverse US listed large-cap discount certificates. This will be the first crypto-backed futures ETF outside the US. Torus Kling Blockchain will provide India INX round-the-clock deep liquidity with smart order routing. The product will be distributed through Torus's global distribution team and partners.

Domiciled Indians will be able to invest in the Bitcoin Futures ETF under the liberalised remittance scheme as ETFs are treated as stocks. Given the regulatory uncertainty around cryptocurrencies, investors have

found it tough to invest in these digital assets. If IFSCA gives its approval, domiciled Indians will be able to invest in a crypto ETF through brokers registered with INX.

Torus Kling Blockchain is targeting \$1 billion assets under management in the first two years from customers participating in blockchain-backed products through ETFs and discount certificates.

Krishna Mohan Meenavalli, CEO, Torus Kling Blockchain IFSC, said: "Crypto assets will be big in future. Gift City is looking at being a leader in dollar assets. Application has been made jointly with INX and we are expecting an approval by March this year. This is a new asset class and will create an opportunity for domestic and international investors to invest in digital assets. We want to bridge the gap between the digital assets market and regulated markets."

Asia's 1st crypto ETF may roll out in GIFT City

Local JV Torus Ties Up With BSE Arm, Seeks IFSCA Nod

Partha Sinha & Assem Gujar | TNN

Mumbai: Asia's first cryptocurrency exchange-traded fund (ETF) could be launched in India's GIFT City this year.

Torus Kling Blockchain IFSC, a joint venture between Mumbai-based Cosmea Financial Holdings and Hyderabad-based Kling Trading India, has signed an MoU (memorandum of understanding) with BSE's international arm India INX to launch digital asset-based products, which will be traded on GIFT City's IFSC (international financial services centre).

The development comes after the US securities regulator SEC in October 2021 allowed launch of a crypto futures ETF, the first such in the US. ETFs like these track returns from cryptocurrencies without investing directly in the digital tokens.

The Torus Kling crypto futures ETF will be launched in a sandbox environment, which is under GIFT regulatory authority IFSCA. Such a sandbox allows regulated entities to launch and live-test products under strict controls.

Once the Torus Kling ETF obtains regulatory nod, Indians will be able to invest in this ETF using the RBI's liberalised remittance scheme (LRS)

route. Global investors, who have similar options in the US and Switzerland, will have another alternative to invest through the regular process.

REGULATORY SANDBOX

> Once the Torus Kling crypto futures ETF gets nod from GIFT regulator IFSCA (under a sandbox environment initially), Indians will be able to invest using the RBI's liberalised remittance scheme (LRS) route

> Such ETFs track crypto returns without investing directly in the digital tokens

> US regulator SEC allowed a crypto futures ETF in Oct 2021 for the 1st time. Since then, the ETF's value has fallen over 31%

According to India INX's MD & CEO V Balasubramaniam, the exchange has already made an application to IFSCA under the regulatory sandbox.

According to estimates, global annual derivatives trading volume in the cryptocurrency market is about \$3.2 trillion, while total spot volume is at approximately \$2.7 trillion. According to Torus Kling Blockchain IFSC's CEO Krishna Mohan Meenavalli, ETFs allow trading through regular investment accounts, bypassing the hassle and security concerns of cryptocurrency exchanges.

India's first crypto ETF to be launched by ex-RCap CEO's blockchain firm

DEEPEKHAR CHOUDHURY
Bengaluru, 13 January

Torus Kling Blockchain IFSC, a company backed by former Reliance Capital CEO Sam Ghosh, said on Thursday that it will launch India's first crypto exchange-traded fund (ETF) by the end of the current financial year. It aims to clock \$1 billion of assets under management (AUM) within two years and will also track large-cap metaverse stocks in US and Europe markets.

Torus Kling Blockchain IFSC is a 50:50 joint venture between Sam Ghosh-promoted Cosmea Financial Holdings (CFH)

and Kling Trading India. This bitcoin and ethereum Futures ETF will be the first crypto-backed futures ETF outside of the US.

The ETF will be launched under a sandbox construct of IFSCA (International Financial Services Centres Authority) and Torus will be the liquidity provider. The product will be distributed through Torus global distribution team and partners.

"This new asset class is the tip of the iceberg. Exchange trade products allow trading through regular investment accounts, bypassing the hassle and security concerns of cryptocurrency exchanges",

said Krishna Mohan Meenavalli, CEO, Torus Kling Blockchain IFSC.

"India INX at GIFT IFSC is looking at exploring the launch of Digital Asset based products and has already made an application to IFSCA under the Regulatory Sandbox. This is a part of our product innovation initiative to benchmark offerings with other international finance centers," said V Balasubramaniam, MD & CEO, India INX. "We will be launching products in these new age assets in compliance with the prevailing laws after receiving all required post regulatory approvals," he added.