

NEWSLETTER

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Welcome to the First Edition of Our Newsletter!

As we close the chapter on 2024, we are thrilled to present the inaugural edition of our monthly newsletter. In this December issue, you'll find essential circulars, insightful consultation papers, and a comprehensive compliance calendar—all from the perspective of SEBI.

Wishing you a prosperous and joyful **New Year 2025!**



SEBI
CIRCULARS

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Welcome to the **January edition** of our newsletter. This month, we delve into a comprehensive range of updates and discussions with respect to SEBI. Our coverage includes the latest SEBI Circulars, providing insights into new regulatory directives, and the Consultation Papers. We also explore significant Amendments introduced by SEBI, examine key decisions from recent SEBI Board Meetings, and offer a thorough Compliance Calendar to help you stay on track with important deadlines.

SEBI CIRCULARS

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PRIOR APPROVAL FOR CHANGE IN CONTROL: TRANSFER OF SHAREHOLDINGS AMONG IMMEDIATE RELATIVES AND TRANSMISSION OF SHAREHOLDINGS AND THEIR EFFECT ON CHANGE IN CONTROL

Circular Number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/164

Date of Issuance: December 27, 2024

Purpose of Issuance:

To clarify the scenarios where a transfer or transmission of shareholding does not constitute a change in control for SEBI-registered intermediaries and outline cases requiring prior SEBI approval and fresh registration.

Key Facts

Unlisted Body Corporate Intermediaries:

- a. Transfer of shares among immediate relatives: Such transfers do not constitute a change in control. Immediate relatives are defined under Regulation 2(1)(l) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- b. Transmission of shares (immediate relatives or not): Such transmissions do not constitute a change in control.

Proprietary Firm Intermediaries:

Transfer or bequeathing of business:

- Transmission to another person constitutes a change in control.
- Legal heirs or transferees must obtain prior SEBI approval and apply for fresh registration in their name.

Partnership Firm Intermediaries:

Transfer of ownership interest among partners:

- If the firm has more than two partners, inter-se partner transfers do not

- constitute a change in control.
- If the firm has only two partners, the death of one dissolve the firm. Induction of a new partner is treated as a change in control, requiring prior SEBI approval and fresh registration.

Transmission of ownership interest due to death of a partner:

If the partnership deed allows admission of legal heirs as partners, the firm is reconstituted, and such transmission does not constitute a change in control.

Incoming Entities/Shareholders:

Any incoming entity or shareholder obtaining controlling interest due to transfer or transmission must meet the fit and proper person criteria specified in Schedule II of SEBI (Intermediaries) Regulations, 2008.

Effective Immediately

SEBI Registered Intermediaries:

- Assess whether their transfers or transmissions of shares, ownership, or interests align with the clarified scenarios.
- Obtain prior SEBI approval and fresh registration in cases of change in control, as defined.
- Ensure incoming entities meet the fit and proper person criteria where applicable

Applicable to:

1. All Registered Investment Advisers (IAs)
2. All Registered Research Analysts (RAs)
3. All KYC (Know Your Client) Registration Agencies (KRAs)
4. BSE Limited (as IAASB/RAASB for Investment Advisers and Research Analysts)



UPLOAD OF DRAFT SCHEME INFORMATION DOCUMENTS (SID)

Circular Number: SEBI/HO/IMD/IMD-RAC-1/P/CIR/2024/179

Date of Issuance: December 20, 2024

Purpose of Issuance:

To revise the requirement for uploading Draft Scheme Information Documents (SIDs) for public comments and streamline the process in line with SEBI's updated guidelines on SIDs.

Key Facts:

Existing Requirement (Prior to Revision):

Clause 1.1.3.1 of the Master Circular dated June 27, 2024, required AMCs to submit Draft SIDs to SEBI for uploading on SEBI's website for 21 working days to seek public comments on disclosure adequacy.

Rationale for Change:

The structure and content of SIDs have been standardized through SEBI Circulars issued in 2008, 2017, and 2023.

The SID format was revised on November 1, 2023, to rationalize information dissemination, facilitate periodic updates, and streamline SID preparation.

Revised Requirement:

Based on review and public consultation, SIDs on which SEBI observation letters are issued will now be uploaded on SEBI's website for at least 8 working days for public comments on the adequacy of disclosures.

After this, AMCs may file final offer documents (SID and KIM) in accordance with Clause 1.1.3.3 of the SEBI Master Circular on Mutual Funds dated June 27, 2024.

Amendments to the Master Circular on Mutual Funds:

Modification to Clause 1.1.3.1.a:

- Draft SIDs with SEBI observations must be uploaded on SEBI's website for at least 8 working days.
- AMCs may then launch schemes and file final offer documents as per Clause 1.1.3.3.
- The validity of SEBI's observation on SIDs will follow Clause 1.3 of the Master Circular. Deletion of Clauses 1.1.3.1.c and 1.1.3.1.d:
- These clauses from the Master Circular dated June 27, 2024, stand deleted.

Effective Immediately

Key Action for AMCs and Mutual Funds:

- Ensure compliance with the revised requirement of uploading Draft SIDs on SEBI's website for a reduced duration of **8 working days**.
- Align final offer documents with SEBI observations and provisions of Clause 1.1.3.3 of the Master Circular.
- Update internal processes to reflect changes in the validity of SEBI observations and deletions of certain clauses.

Applicable to:

1. All Mutual Funds
2. All Asset Management Companies (AMCs)
3. Trustee Companies/Boards of Trustees of Mutual Funds
4. Association of Mutual Funds in India (AMFI)



MEASURES TO ADDRESS REGULATORY ARBITRAGE WITH RESPECT TO OFFSHORE DERIVATIVE INSTRUMENTS (ODIS) AND FPI'S WITH SEGREGATED PORTFOLIOS VIS-À-VIS FPI'S

Circular Number: SEBI/HO/AFD/AFD-POD-3/P/CIR/2024/176

Date of Issuance: December 17, 2024

Applicable to:

1. Foreign Portfolio Investors (FPIs)
2. Designated Depository Participants (DDPs) and Custodians
3. Depositories
4. Stock Exchanges and Clearing Corporations

Purpose of Issuance:

To enhance transparency and mitigate regulatory arbitrage in the issuance and management of Offshore Derivative Instruments (ODIs) by FPIs.

Key Facts:

Dedicated FPI Registration for ODIs:

- FPIs must issue ODIs only through a separate FPI registration distinct from their proprietary investments.
- The dedicated registration must be in the FPI's name with "ODI" as a suffix under the same Permanent Account Number (PAN).
- This requirement does not apply to ODIs referencing government securities.

Prohibition on Derivative-Based ODIs:

- FPIs are prohibited from issuing ODIs with derivatives.

Hedging Limitations:

- FPIs cannot hedge ODI positions using derivatives on Indian stock exchanges.
- ODIs must be fully hedged on a one-to-one basis with the same underlying securities (excluding derivatives) throughout their tenure.

Enhanced Disclosure Requirements:

- ODI subscribers meeting specific thresholds, such as significant equity holdings in Indian corporate groups, must provide additional disclosures to enhance transparency.

Exemptions:

- Certain categories, including government-related investors and retail funds, are exempt from specific requirements.

Foreign Portfolio Investors (FPIs):

- Establish separate registrations for ODI issuance.
- Cease issuing ODIs with derivatives as the reference.
- Ensure ODIs are fully hedged with securities, excluding derivatives.
- Implement systems for enhanced disclosure compliance.

Depositories:

- Develop mechanisms to track and report compliance.



PRO-RATA AND PARI-PASSU RIGHTS OF INVESTORS OF ALTERNATIVE INVESTMENT FUNDS(AIF)

Circular Number: SEBI/HO/AFD/AFD-POD-1/P/CIR/2024/175

Date of Issuance: December 13, 2024

Key Changes Introduced:

A. Pro-rata Rights of Investors of AIFs

1. Investors must have rights proportional to their commitment in investments and distributions unless exempted by SEBI.
2. Exemptions apply when investors are excused, default on contributions, or share returns/profits with managers or sponsors (e.g., carried interest).
3. Certain entities (e.g., managers, sponsors, government-owned bodies) may subscribe to junior/subordinate units.
4. Managers or sponsors must ensure investments are not used to repay obligations to themselves or associates.

B. Pari-passu Rights of Investors of AIFs

1. Investors must have equal rights unless SEBI specifies differential rights.
2. Differential rights must ensure no liability transfer, no overriding of other investors' rights, and full transparency in the Private Placement Memorandum (PPM).
3. SEBI's Standard Setting Forum (SFA) will issue implementation guidelines by January 15, 2025.

Applicability to Existing AIFs/Schemes:

1. Schemes with priority distribution models must not accept new commitments or make new investments unless exempted.
2. PPMs filed after March 1, 2020, must include detailed disclosures on differential rights.
3. LVFs may avail exemptions by disclosing and obtaining investor waivers.

Key Actions:

- AIF managers must document compliance in the Compliance Test Report (CTR).
- PPMs should disclose all rights clearly, and deviations must be reported to SEBI.

Applicability:

Applies to all Alternative Investment Funds (AIFs) registered under SEBI (Alternative Investment Funds) Regulations, 2012.



CLASSIFICATION OF CORPORATE DEBT MARKET DEVELOPMENT FUND (CDMDF) AS CATEGORY I ALTERNATIVE INVESTMENT FUND

Circular Number: SEBI/HO/AFD/AFD-POD-3/P/CIR/2024/176

Applicability:

1. Asset Management Companies (AMCs)
2. Trustee Companies/Board of Trustees of Mutual Funds
3. Trustee Company of CDMDF
4. Association of Mutual Funds in India (AMFI)

Date of Issuance: December 17, 2024

Purpose of Issuance:

Key Details:

Introduction of CDMDF:

- The Corporate Debt Market Development Fund (CDMDF) has been established under Chapter III-C of SEBI (Alternative Investment Funds) Regulations, 2012.
- It serves as a backstop facility for purchasing investment-grade corporate debt securities during times of market stress to bolster confidence and enhance secondary market liquidity.
- The fund creates a permanent institutional framework activated during periods of stress in the corporate debt market.

Request for Clarity:

- SEBI received representations seeking clarification on the classification of CDMDF under the defined categories in AIF Regulations.

Classification:

- Although a separate framework exists for CDMDF under Chapter III-C of Regulation 19 of AIF Regulations, the fund's broader objective aligns with the development of the corporate bond market.
- Consequently, CDMDF is classified as **Category I Alternative Investment Fund** in terms of Regulation 3(4)(a) of AIF Regulations.

Purpose of the Classification:

- To provide clarity and align CDMDF's operational framework with its overarching objective of supporting corporate bond market development and acting as a backstop facility during stress periods.

Effective Date:

- The circular clarifies the status of CDMDF with immediate effect upon issuance.

REPOSITORY OF DOCUMENTS RELIED UPON BY MERCHANT BANKERS DURING DUE DILIGENCE OF PROCESS IN PUBLIC ISSUES

Circular Number: SEBI/HO/CFD/CFD-TPD-1/P/CIR/2024/170

Date of Issuance: December 05, 2024

Document Repository Platform: Stock exchanges have created an online repository for maintaining due diligence documents electronically. And they must upload and maintain these records on the platform.

Upload Process and Timelines: From January 01, 2025: Documents must be uploaded within 20 days of filing the draft offer document and post-listing. And From April 01, 2025: Documents must be uploaded within 10 days of filing the draft offer document and post-listing.

Maintenance of Records: Merchant bankers will upload documents using individual login credentials, accessible only to them but available to SEBI for supervision.

Stock Exchange Responsibilities: Stock exchanges will inform merchant bankers of required documents and the uploading process.

Effective from 1 January, 2024

Applicable To:

All Merchant Bankers



SMS AND E-MAIL ALERTS TO INVESTORS BY STOCK EXCHANGES

Circular Number: SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/169

Date of Issuance: December 3, 2024

Purpose of Issuance

To clarify and amend guidelines regarding the uploading of mobile numbers and email addresses by stock brokers for sending SMS and email alerts to investors.

Key Facts

Background

SEBI Circular dated August 02, 2011, and Clause 33 of the Master Circular for Stock Brokers (August 09, 2024) mandated uploading of separate mobile numbers and email addresses for each client.

Amendment

Stock brokers may, under **exceptional circumstances**, upload the **same mobile number or email address** for more than one client.

Conditions for Exception

For **individual clients**: Clients should belong to the same family (defined as self, spouse, dependent children, and dependent parents).

For **non-individual clients**: The mobile number/email may belong to the authorized person.

Family/Authorized Person Definitions

- **Individual**: Self, spouse, dependent children, dependent parents.
- **HUF**: Karta or co-parceners (with prior approval of Karta).
- **Partnership Firm**: Any partner (with prior approval of all/authorized partners).
- **Trust**: Trustees or beneficiaries (as per Trust resolution).
- **Corporates**: Authorized person (as per Board Resolution).

Amendments Incorporated

- Para 3 of this circular supersedes the provisions of SEBI Circular dated August 02, 2011, and Clause 33 of the Master Circular.
- All other provisions of the earlier circulars remain unchanged.

Effective immediately.

Key Action Points for SEBI-Registered Intermediaries

1. Ensure compliance with updated provisions for uploading mobile numbers and email addresses.
2. Document written requests and required approvals for exceptional cases.
3. Maintain records and resolutions supporting the authorized person for non-individual clients

Applicable To:
All Recognized Stock
Exchanges



ENHANCEMENT IN THE SCOPE OF OPTIONAL T+0 ROLLING SETTLEMENT CYCLE IN ADDITION TO THE EXISTING T+1 SETTLEMENT CYCLE IN EQUITY CASH MARKETS

Circular Number: SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/172

Date: December 10, 2024

Key Points:

1. Introduction:

- SEBI introduced the beta version of the optional T+0 rolling settlement cycle on March 21, 2024, for 25 scrips and a limited number of brokers.

2. Implementation:

- Initially, the T+0 settlement cycle was available only to non-custodian clients from March 28, 2024, to avoid disruptions.

3. Enhancements Based on Feedback:

- The scope of the optional T+0 settlement cycle is now expanded as follows:
- Increase in Eligible Scrips:** Available to top 500 scrips by market capitalization as of December 31, 2024, starting with the bottom 100 and gradually including more.
- Participation by All Stock Brokers:** All stock brokers can participate and charge differential brokerage for T+0 and T+1 cycles.
- Qualified Stock Brokers (QSBs):** QSBs must enable seamless participation for investors and update systems within three months if there are changes in the QSB list.
- Participation by Custodians:** MIIs and custodians to set up systems for institutional investor participation.
- Block Deal Window:** A block deal window for T+0 settlement will be available from 8:45 am to 9:00 am in addition to existing T+1 block deal windows.

4. Operational Guidelines:

- MIIs will publish operational guidelines, FAQs, and lists of eligible scrips and QSBs on their websites.

5. Reporting:

- MIIs to provide fortnightly reports on optional T+0 settlement cycle activities.

6. Applicability:

- Effective January 31, 2025:** Provisions related to scrips, broker participation, guidelines, and reporting.
- Effective May 01, 2025:** Provisions related to QSBs, custodians, and block deal windows.

Key Action Points for SEBI-Registered Intermediaries

- Ensure compliance with updated provisions for uploading mobile numbers and email addresses.
- Document written requests and required approvals for exceptional cases.
- Maintain records and resolutions supporting the authorized person for non-individual clients
- Establish a block deal window for T+0 settlement.
- MIIs to publish fortnightly reports.

Applicable To:

- All Recognized Stock Exchanges
- All Recognized Clearing Corporations
- All Depositories
- All Qualified Stock Brokers
- All Custodians

SEBI CONSULTATION PAPERS

SEBI has released the following consultation paper during the month of December, 2024

Date	Title
Dec 17, 2024	<i>Consultation paper on draft circular for “Service platform for investors to trace inactive and unclaimed Mutual Fund folios: MITRA (Mutual Fund Investment Tracing and Retrieval Assistant)”</i>
Dec 13, 2024	<i>Extension in timeline to submit comments on consultation paper on Review of Ownership and Economic Structure of Clearing Corporations</i>
Dec 13, 2024	<i>Extension in timeline to submit comments on consultation paper on Process for appointment of specific KMPs of an MII; and cooling-off period for KMPs and Directors of an MII joining a competing MII</i>
Dec 13, 2024	<i>Participation of retail investors in algorithmic trading</i>
Dec 10, 2024	<i>Consultation paper on Draft Circular on Operational Efficiency in Monitoring of Non-Resident Indians (NRIs) Position Limits in Exchange Traded Derivatives Contracts - Ease of Doing Investment</i>
Dec 10, 2024	<i>Harnessing DigiLocker as a Digital Public Infrastructure for reducing Unclaimed Assets in the Indian Securities Market</i>
Dec 06, 2024	<i>Consultation Paper on draft circular to provide clarity on provisions related to association of persons regulated by the Board, MIIs, and their agents with persons carrying on prohibited activities</i>
Dec 05, 2024	<i>consultation paper on “the proposed framework for devolvement of In-The-Money (ITM) single stock option contracts into futures, 1 day prior to expiry, to mitigate the potential risks arising from sudden movement of Out-of-The-Money (OTM) option contracts to ITM option contracts near expiry in the context of physical settlement in the derivatives segment”</i>
Dec 05, 2024	<i>Consultation paper on Introducing Close Auction Session in Equity Cash segment</i>
Dec 05, 2024	<i>Measure for ease of doing business – Settlement of Account of Clients who have not traded in the last 30 days</i>
Dec 03, 2024	<i>Consultation Paper on Online Monitoring of System Audit of Stock Brokers</i>



Below are the summaries of important Consultation Papers:

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CONSULTATION PAPER ON PARTICIPATION OF RETAIL INVESTORS IN ALGORITHMIC TRADING

Purpose of Issuance

The framework will define the rights and responsibilities of key stakeholders: investors, stock brokers, algo providers/vendors, and Market Infrastructure Institutions (MIIs), enabling retail investors to access algo facilities with requisite safeguards. by introducing Algorithmic Trading (algo trading) via Direct Market Access (DMA) to improve the trading.

Background of draft circular:

I. Roles and Responsibilities of Stockbrokers:

- Obtain permission from the stock exchange for each algorithm.
- Tag all algo orders with a unique identifier for audit trail purposes.
- Seek approval for any modifications to approved algos or systems.

II. Use of Application Programming Interface (API) for Algo Trading:

- Brokers act as principals while algo providers are agents using the broker's API.
- Orders exceeding a specified threshold through APIs will be treated as algo orders and tagged.
- Retail investors' algos must be registered with the exchange through their broker and can be used by the investor's immediate family.

III. Empanelment and Registration of Algo Providers:

- Algo providers must be empanelled with exchanges as per specified criteria.
- Exchanges will set eligibility criteria for algo providers.

IV. Role and Responsibilities of Stock Exchange:

- Supervise algo trading, including post-trade monitoring and implementing a kill switch for specific algo IDs.
- Define roles and responsibilities of brokers and algo providers and supervise the distinction between algo and non-algo orders.
- Issue operational modalities and risk management systems in consultation with SEBI.

V. Categorization of Algos:

- Execution Algos (White Box): Logic is disclosed and replicable.
- Black Box Algos: Logic is not disclosed or replicable. Providers must register as Research Analysts and maintain research reports.

VI. Compliance:

Exchanges and brokers must adhere to existing provisions for algorithmic trading

Refer: SEBI, vide circular no. CIR/MRD/DP/09/2012 dated March 30, 2012, provided guidelines on Algo Trading. Subsequent measures strengthened controls around Algo Trading

The Securities and Exchange Board of India (SEBI) released this draft circular to gather public comments and refine the regulatory framework for algorithmic trading, specifically to facilitate retail investor participation while ensuring market integrity and investor protection.



CONSULTATION PAPER ON DRAFT CIRCULAR FOR “SERVICE PLATFORM FOR INVESTORS TO TRACE INACTIVE AND UNCLAIMED MUTUAL FUND FOLIOS: MITRA (MUTUAL FUND INVESTMENT TRACING AND RETRIEVAL ASSISTANT)”

Purpose: The consultation paper seeks public feedback on the MITRA platform, aimed at addressing inactive and unclaimed mutual fund folios. Developed by RTAs, MITRA offers a centralized, searchable database for investors to trace and manage their investments. The draft circular defines inactive folios and outlines the platform's responsibilities and guidelines.

Background of the draft circular:

Platform Overview:

- A platform has been developed by the RTAs to provide investors with a searchable database of inactive and unclaimed mutual fund folios at an industry level.
- The platform is designed to empower investors by allowing them to identify overlooked investments or investments made by others for which they may be rightful legal claimants.

Benefits for Investors:

- Enable investors to identify and reclaim overlooked investments.
- Encourage investors to complete KYC procedures as per current norms, thus reducing non-KYC compliant folios.
- Reduce the number of unclaimed mutual fund folios.
- Contribute to a transparent financial ecosystem and provide a reliable medium for investors to trace inactive mutual fund investments.
- Build and incorporate mitigants against fraud risk.

Definition of Inactive Folio:

- An inactive folio is defined as a mutual fund folio where no investor-initiated transactions (financial or non-financial) have taken place in the last 10 years, but the unit balance is available.

Details of the Platform

Hosting and Accessibility:

- The platform will be hosted jointly by Computer Age Management Services Limited (CAMS) and KFIN Technologies Limited, accessible through various mutual fund-related websites.

Cybersecurity:

- The platform will comply with SEBI's cybersecurity and cyber resilience frameworks as applicable to Qualified RTAs.

Responsibilities and Compliance:

- Qualified RTAs are jointly responsible for compliance with regulations, including system and cybersecurity audits.
- The platform must adhere to SEBI's guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR).

Awareness and Implementation:

- AMCs, QRTAs, AMFI, and mutual fund distributors are advised to create awareness about the initiative among investors.

Future Guidelines

- Any RTA providing services to mutual funds post-issuance of this circular must follow the guidelines specified in this circular or any amendments by SEBI.



CONSULTATION PAPER ON DRAFT CIRCULAR ON OPERATIONAL EFFICIENCY IN MONITORING OF NON-RESIDENT INDIANS (NRIS) POSITION LIMITS IN EXCHANGE TRADED DERIVATIVES CONTRACTS - EASE OF DOING INVESTMENT

Purpose of Issuance

The primary purpose of this consultation paper is to seek public comments on the draft circular aimed at improving operational efficiency in monitoring NRI position limits in exchange-traded derivatives contracts, thereby enhancing the ease of investment for NRI clients.

Background

Existing Procedure: NRIs must obtain a Custodial Participant (CP) Code from the Clearing Corporation (CC) via a Clearing Member (CM) to trade in the F&O segment. SEBI sets conditions, including position limits and monitoring, for NRIs trading using the CP Code.

Objective: SEBI proposes removing the CP Code requirement and the need for NRIs to deal with only one CM to simplify monitoring and enhance investment ease for NRIs.

Introduction of PAN: PAN has been introduced as a unique identifier for client positions, allowing Clearing Corporations (CCs) to monitor NRI position limits, eliminating the need for a separate CP Code.

Key Points of the Draft Circular

1. Background:

- SEBI's circular dated October 29, 2003, specified operational modalities for monitoring NRI position limits, requiring NRIs to notify the Clearing Member(s) and assign a CP Code.

2. Operational Efficiency Measures:

- To enhance investment ease and operational efficiency, SEBI has decided to remove the requirement for NRIs to notify Clearing Member(s) and assign a CP Code.
- Clearing Corporations will monitor NRI position limits similarly to client-level position limits using PAN.
- Position limits for NRIs will be the same as client-level position limits specified by SEBI.

FPI (Foreign Portfolio Investor) position limits will continue to be monitored by the Exchange

Circular no. SEBI/DNPD/Cir17/2003/10/29 dated October 29, 2003

Outlined the need for NRIs to notify Clearing Members for trading and be assigned a Custodial Participant (CP) Code. This system was used to monitor NRI position limits.

To improve investment ease and operational efficiency, SEBI, following recommendations from the Brokers' Industry Standards Forum, decided to eliminate the CP Code requirement and the need for NRIs to notify Clearing Members. Instead, the Clearing Corporation will now monitor NRI position limits using a system like that used for client-level position limits, with limits specified by SEBI.



CONSULTATION ON MEASURE FOR EASE OF DOING BUSINESS – SETTLEMENT OF ACCOUNT OF CLIENTS WHO HAVE NOT TRADED IN THE LAST 30 DAYS

Purpose of Issuance

The consultation paper seeks public comments on proposed changes to the settlement process for clients inactive for 30 days. The aim is to mitigate misuse of client funds, streamline processes, and ease business operations while protecting investors' interests.

Background of the draft circular:

1. Existing Guidelines:

SEBI's circular dated June 16, 2021, and the Master Circular for Stock Brokers dated August 09, 2024, provide guidelines for the settlement of the running account of client's funds by stock brokers.

2. Current Mandate:

Clients who have not transacted in the last 30 days must have their accounts settled by the TM within three working days.

Procedural Inefficiencies:

- Daily identification and settlement of such clients' funds by TMs lead to inefficiencies. The clearing corporation up streams client funds, reducing misuse risks.
- ISF has requested a review of the time frame for settling these funds.

Revised Requirement:

- Clients with a credit balance who have not traded in the last 30 calendar days shall have their funds settled on the upcoming settlement dates of the monthly running account settlement cycle, as per the exchanges' annual calendar.

Clause Modification:

Clause 5.4 of the June 16, 2021, circular and Clause 47.4 of the Master Circular are revised as follows:

- For clients with a credit balance who have not transacted in the last 30 calendar days and whose funds have been held for more than 30 calendar days, the entire credit balance shall be returned by the TM on the upcoming settlement dates of the monthly running account settlement cycle.

If a client trades after 30 calendar days but before the upcoming settlement dates, the account shall be settled as per the client's preference for quarterly/monthly running account settlement



CONSULTATION PAPER ON “THE PROPOSED FRAMEWORK FOR DEVOLVEMENT OF IN-THE-MONEY (ITM) SINGLE STOCK OPTION CONTRACTS INTO FUTURES, 1 DAY PRIOR TO EXPIRY, TO MITIGATE THE POTENTIAL RISKS ARISING FROM SUDDEN MOVEMENT OF OUT-OF-THE-MONEY (OTM) OPTION CONTRACTS TO ITM OPTION CONTRACTS NEAR EXPIRY IN THE CONTEXT OF PHYSICAL SETTLEMENT IN THE DERIVATIVES SEGMENT

The consultation paper seeks public comments on the proposed framework to convert In-The-Money (ITM) single stock option contracts into futures 1 day before expiry. This change aims to reduce risks from sudden price movements causing Out-of-The-Money (OTM) options to become ITM near market close on expiry day.

1. Current Practice:

- All ITM options are auto exercised and converted to underlying deliverable obligations based on last 30 minutes VWAP on expiry day.

2. Proposed Change:

- ITM options will devolve into stock futures on the day prior to expiry (E-1 day).
- Resultant futures positions can be closed on expiry day (E Day).
- Only futures will be tradeable on the expiry day; open futures positions will settle by delivery.

3. Settlement:

- Long ITM call positions devolve into long positions in underlying futures.
- Long ITM put positions devolve into short positions in underlying futures.
- Short ITM call positions devolve into short positions in underlying futures.
- Short ITM put positions devolve into long positions in underlying futures.
- Devolved futures position open at the strike price of exercised options.

4. Example Implementation:

- On the last Thursday of the month, one working day prior (Wednesday, E-1), ITM options based on VWAP auto-exercise into futures. These futures positions can be closed on Thursday (expiry day), with residual open positions settled via delivery.

5. Margins:

- Delivery margins currently staggered from E-4 day to E Day will adjust from E-4 day to E-1 day.



CONSULTATION PAPER ON PROPOSAL OF CREATING ONLINE MONITORING AND SUPERVISION MECHANISM(WEB BASED PORTAL)BY STOCK EXCHANGES TO MONITOR SYSTEM AUDIT PROCESS OF STOCK BROKERS ON CONCURRENT BASIS

The objective of this consultation paper is to seek comments from public on proposal of creating online monitoring and supervision mechanism (web based portal) by stock exchanges to monitor system audit process of stock brokers on concurrent basis

The proposed framework for monitoring and supervising the system audit of stock brokers includes:

- Developing an online mechanism by stock exchanges for conducting and monitoring the audit process.
- Enhanced requirements for auditors.
- Provisions for auditor empanelment.

Applicable to: All the stock brokers who would be required to carry out the system audit as per the SEBI circular dated November 06,2013.

The draft circular framework:

- 1. Online Web Portal:** Exchanges will develop an online portal to monitor and supervise system audits of stock brokers.
- 2. Audit Process:** The framework covers auditor appointment, audit process, report submission, and ATR, all conducted through the web portal.
- 3. Authorized Auditors:** Only authorized auditors or partners will perform physical audits at stock broker premises, supervised by exchanges.
- 4. Enhanced Auditor Obligations:** System auditors must verify key technology aspects.
- 5. Eligibility Criteria:** Stock exchanges will set eligibility criteria for empanelment of system auditors, focusing on auditor qualifications and additional criteria for auditors of Qualified Stock Brokers (QSBs).



SEBI AMENDMENTS

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SEBI (INVESTMENT ADVISERS) (SECOND AMENDMENT) REGULATIONS, 2024, EFFECTIVE FROM DECEMBER 16, 2024

SEBI (Investment Advisers) (Second Amendment) Regulations, 2024, effective from December 16, 2024. These amendments bring various modifications to the SEBI (Investment Advisers) Regulations, 2013.

Key Amendments to SEBI Investment Advisers Regulations:

1. Changes to Definitions (Regulation 2):

Omission of Certain Terms:

- Clause (ac) is amended by omitting "and investment products."
- Clause (ga) is removed.
- Clause (l) is updated to exclude references to "investment products" and include a new proviso clarifying that "trading calls" are not considered investment advice.

Part-Time Investment Adviser:

- New definitions are introduced, including "part-time investment adviser" and "other business activity or employment," to clarify that part-time advisers can also be involved in non-investment-related business activities or employment.

Principal Officer Definition:

- The definition of "Principal Officer" is refined, particularly for non-individual investment advisers. It also clarifies that in cases where no partner in a firm meets the minimum qualification requirements, the firm must re-register as a limited liability partnership or body corporate.

Research Analyst:

- A new clause defines "research analyst" to align with the SEBI (Research Analysts) Regulations, 2014.

2. Changes in Qualifications and Certifications (Regulation 7):

Minimum Qualifications:

The amendment ensures that individual investment advisers and partners in partnership firms maintain valid NISM certifications to ensure continuity in compliance with regulatory standards.

3. Deposit Requirements (Regulation 8):

Investment advisers must maintain a specified deposit with a scheduled bank, which will be marked with a lien in Favor of a recognized body or body corporate for supervision. This deposit may be used to cover any dues arising from arbitration or conciliation proceedings.

4. Application for Registration (Regulation 9):

- **Part-Time Investment Adviser:** Individuals or firms wishing to register as part-time investment advisers must now provide additional details, such as a declaration of no objection from their employer.
- **Certification for Research Analysts:** Individuals associated with investment advice must hold a graduate degree, and those associated with investment advice need to maintain NISM certifications.

5. Client and Communication Records (Regulation 19):

- **Additional Client Details:** Investment advisers must now maintain detailed records of client communications, including PAN details and fee/consideration for advice.
- **New Clause on Communication:** Records of communications such as emails and call recordings must be maintained, as specified by SEBI.

6. Website Requirement (Regulation 19A):

Investment advisers must maintain a functional website with the details specified by SEBI, providing clients with easy access to relevant information



Artificial Intelligence in Investment Advice (Regulation 15): Investment advisers using AI tools must take responsibility for the security, confidentiality, and integrity of client data. They are also required to ensure compliance with applicable laws regarding the use of AI in providing investment advice.

Compliance Officer (Regulation 20): Non-individual investment advisers must appoint a compliance officer or an independent professional to monitor compliance with SEBI regulations. The compliance officer will ensure adherence to regulatory requirements

Changes to First Schedule - Form A:

- **Part-Time Investment Adviser:**
 - A new clause in Form A asks applicants whether they are applying for part-time investment adviser registration and whether they are engaged in other business activities.
- **No Objection Certificate:**
 - Applicants for part-time adviser registration must provide a no-objection certificate from their employer.
- **Additional Documentation:** Several changes have been made to the documentation required for registration, particularly with respect to certifications and evidence of qualifications.

Transition from Individual to Non-Individual Investment Adviser (Regulation 13): If an individual investment adviser exceeds 300 clients or collects fees exceeding INR 3 crore in a year, they must transition to a non-individual investment adviser and apply for in-principal registration.

Client Limit for Part-Time Advisers (Regulation 13): The total number of clients that a part-time investment adviser can handle is limited to 75 at any point in time.

Conclusion:

The SEBI (Investment Advisers) (Second Amendment) Regulations, 2024, introduce significant changes aimed at improving the professionalism and operational transparency of investment advisers. The changes clarify the role of part-time investment advisers, refine the qualification and certification processes, and introduce new requirements such as maintaining deposits, using AI responsibly, and ensuring strict record-keeping and compliance. These amendments are expected to strengthen the regulatory framework and improve investor protection.

For more information, please refer to the link below for the full SEBI amendment.

https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-exchange-board-of-india-investment-advisers-second-amendment-regulations-2024_89980.html



SEBI (RESEARCH ANALYSTS)(THIRD AMENDMENT) REGULATIONS, 2024

The **SEBI (Research Analysts)(Third Amendment) Regulations, 2024** on December 16, 2024, **(Research Analysts) Regulations, 2014**. The amendment brings in several key changes, updates to definitions, and additional requirements for research analysts and entities.

For more information, please refer to the link below for the full SEBI amendment. [https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-excA_comprehensive_analysis_of_the_SEBI_\(Research_Analysts\)_Third_Amendment_Regulations,_2024](https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-excA_comprehensive_analysis_of_the_SEBI_(Research_Analysts)_Third_Amendment_Regulations,_2024) is attached. For more information, please refer to the link below for the full SEBI amendment.

Key Definitions and Clarifications

- 1. Consideration:** Refers to any form of economic benefit (including non-cash benefits) received for providing research services, whether from clients or any other source.
- 2. Family Definitions:**
 - **Research Analyst's Family:** Includes the individual, their spouse, children, and parents.
 - **Client's Family:** Includes the client, their dependent spouse, children, and parents.
- 3. Non-Individual Entities:** The term "non-individual" includes bodies such as limited liability partnerships (LLPs) and partnership firms.
- 4. Other Business Activity/Employment:** Refers to activities unrelated to securities that do not involve handling client money or giving investment advice.
- 5. Part-Time Research Analyst:** Defined as an individual or a partnership firm engaged in research services for consideration while also involved in another business or employment.
- 6. People Associated with Research Services:** Includes analysts, sales staff, relationship managers, and other individuals directly involved in providing research services to clients or the public.
- 7. Principal Officer (Non-Individual Research Analyst):** For non-individual research entities (such as LLPs or corporations), the principal officer includes top management

issuing trading calls on listed or proposed-to-be-listed securities.

- 10. Trading Calls:** Non-delivery-based, short-term, or intraday recommendations related to securities that are not personalized to specific clients

Key Changes in the Regulations

1. Registration of Research Analysts:

- Principal officers, people associated with research services, and partners of a registered research analyst do not need separate registration, provided they meet the qualification requirements.

2. Application Process for Registration:

- Entities applying for research analyst registration must ensure that all people associated with research services, including partners, are qualified and certified as per the prescribed qualifications (e.g., Regulation 7).
- For bodies corporate, the principal officer and employees must meet qualification criteria.
- In the case of partnership firms or LLPs, all partners engaged in research services must meet qualification requirements.

3. Regulation of Qualifications and Certification:

- All people associated with research services must hold the necessary qualifications and certifications.

Research analysts must maintain valid certifications from recognized institutions like **NISM** or **CFA Institute**, with certifications renewed before expiry.

4. Capital Adequacy Requirement:



figures responsible for overall business and operations related to research services.

8. **Research Analyst:** The definition has been expanded to include part-time research analysts.
9. **Research Services:** Includes activities like preparing and publishing research reports, making buy/sell recommendations, setting targets, providing model portfolios, and

- The term "capital adequacy" has been replaced with "deposit," which research analysts must maintain with a scheduled bank to cover dues arising from arbitration or conciliation proceedings.



Other Amendments

1. Provisions for Compliance:

- Non-individual research analysts must ensure compliance with regulatory provisions, including having a qualified principal officer and maintaining appropriate qualifications for all involved in research services.

2. Qualification and Certification Requirements:

- **Research Analysts:** Must hold a professional qualification or a graduate/post-graduate degree in finance, economics, capital markets, or related fields from recognized institutions.
- **Specific Certifications:** Must hold certifications from **NISM** or **CFA Institute** and ensure certification renewal before expiry.

3. Deposit Requirement:

- Research analysts must maintain a deposit with a scheduled bank for use in case of dues arising from arbitration or conciliation proceedings under the Online Dispute Resolution Mechanism.

4. Part-Time Research Analysts:

- A new category for part-time research analysts has been introduced, with specific conditions:
 - Their client base must not exceed 75 clients.
 - They must disclose their part-time status and comply with additional restrictions.

5. Administration and Supervision:

- SEBI will now fully oversee the administration and supervision of proxy advisers.

6. Use of Artificial Intelligence (AI) in Research:

- Research analysts must disclose the use of AI tools in their research services to clients.
- Full responsibility lies with research analysts/entities for ensuring the security and

confidentiality of client data when using AI tools.

7. Website and Client Interaction:

- Research analysts must maintain a functional website with details prescribed by SEBI.
- They must also disclose terms and conditions to clients and obtain their consent, ensuring transparency in their research services.

8. Segregation of Research and Distribution Services:

- **Individual Research Analysts:** Cannot provide distribution services. Also, family members of an individual research analyst cannot offer distribution services to the same clients.
- **Non-Individual Research Analysts:** Must ensure client-level segregation between research and distribution services at a group level, maintaining an arm's length relationship.

9. Compliance Officer Appointment:

- Non-individual research analysts must appoint a compliance officer or an independent professional (such as a member of ICAI or ICSI) to monitor compliance with SEBI regulations.

10. Regulatory Disclosures:

- Research analysts must disclose terms and conditions to clients and obtain their consent. They must also maintain detailed records (e.g., KYC, client interactions, research reports, and fees charged).

11. New Registration Requirements:

- The registration process now includes additional disclosures:
 - Whether the applicant is applying as a part-time research analyst.



SEBI BOARD MEETING

The SEBI Board convened for a meeting on December 18, 2024, wherein they, inter-alia, approved the following:

Sl. No.	Particulars
	Primary Market related
1	Ease of doing business with respect to Business Responsibility and Sustainability Report (BRSR)
2	Review of SME framework under SEBI (ICDR) Regulations, 2018, and applicability of corporate governance provisions under SEBI (LODR) Regulations, 2015 on SME companies
3	Review of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
	Debt and Hybrids related
4	Amendments to SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 ('SDI Regulations')
5	Measures for Reforms to Debenture Trustees Regulations including towards Ease of Doing Business.
6	Measures towards Ease of Doing Business for ESG Rating Providers (ERPs)
7	Review of provisions regarding corporate governance norms for High Value Debt Listed entities (HVDLEs) - amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations)
8	Measures towards Ease of Doing Business and Investor Protection for Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs)
9	Measures towards Ease of Doing Business for Small and Medium Real Estate Investment Trusts (SM REITs)
	Mutual Funds related
10	Facilitating ease of doing business for employees of Asset Management Companies (AMCs) with respect to the framework related to "Alignment of interest of the designated employees of the Asset Management Company (AMC) with the interest of the unitholders"



11	Amendments to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 for specifying timelines for deployment of funds collected by Asset Management Companies (AMC's) in New Fund Offer (NFO) as per asset allocation of the scheme
	Alternative Investment & FPI related
12	Review of SEBI (Custodian) Regulations, 1996
	Market Intermediaries related
13	Proposal for recognition of Past Risk and Return Verification Agency (PaRRVA)
14	Assigning responsibility for the use of Artificial Intelligence tools by Market Infrastructure Institutions, Registered Intermediaries and other people regulated by SEBI
15	Aligning the modes for payment of dividend, interest, etc. for demat account holders in line with physical securityholders to promote online/digital transactions
	Integrated Surveillance related
16	Amendments to include events in the illustrative list of the definition of Unpublished Price Sensitive Information (UPSII) under SEBI (Prohibition of Insider Trading) Regulations, 2015
	Secondary Market related
17	Amendments to Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 for provisions related to payment of Annual Fee and Annual Charge by the depositories
	Legal Affairs related
18	Securities and Exchange Board of India (Procedure for making, amending and reviewing of Regulations) Regulations, 2024
	Investor Awareness related
19	Updation with respect to Investor Charter for Securities Market



SUMMARY OF THE SEBI AMENDMENT TO THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, DISCUSSED AND APPROVED IN THE SEBI BOARD MEETING:

1. Review of SEBI (Merchant Bankers) Regulations, 1992: SEBI has conducted a comprehensive review of the Merchant Bankers Regulations to revise the framework governing registration, eligibility, activities, and net worth requirements for Merchant Bankers (MBs).

2. Permitted Activities:

- MBs, except for Banks, Public Financial Institutions, and their subsidiaries, are allowed to only engage in specified permitted activities.
- For other activities, MBs must establish separate business units and obtain registration/confirmation from the relevant regulatory authority.

3. Hiving Off Non-Permitted Activities:

- MBs must hive off non-permitted activities to a separate legal entity with a distinct brand name within two years.
- Both the MB and the new entity must adhere to a code of conduct set by SEBI.
- The separate entity may carry out non-permitted activities while sharing resources with the MB, provided the relationship is on an arm's length basis and does not legally bind the MB.

4. Valuation Activities:

- MBs are prohibited from taking on new valuation assignments as part of their MB registration.
- Existing valuation assignments may be completed.
- If an MB wants to engage in valuation activities, it must seek registration from the relevant authority within nine months.

5. Categories of Merchant Bankers:

- **Category 1:** MBs with a net worth of at least Rs. 50 crores can undertake all permitted activities.
- **Category 2:** MBs with a net worth of at least Rs. 10 crores can engage in all permitted activities.

Net Worth Requirement:

- MBs must maintain a liquid net worth of at least 25% of the required minimum net worth at all times.

6. Revenue Requirement:

- MBs must earn minimum revenue from permitted activities or risk cancellation of their registration:
 - **Category 1:** At least Rs. 25 crores over the last three financial years.
 - **Category 2:** At least Rs. 5 crores over the last three financial years.
- MBs managing debt or hybrid securities are exempt from the revenue requirement.
- Registration may not be cancelled if revenue targets are not met due to specific conditions set by SEBI.

7. Underwriting Limit:

- The underwriting limit for MBs is set at 20 times their liquid net worth.

8. Conflict of Interest and Due Diligence:

- MBs cannot lead manage public issues if their directors, key personnel, employees, or relatives hold more than 0.1% of the issuer's paid-up share capital (or shares worth Rs. 10,00,000, whichever is lower).
- However, MBs can be appointed for marketing roles in such cases, provided appropriate disclosures are made.

9. Compliance Officer Qualifications:

- The Compliance Officer must hold a Company Secretary qualification or a graduate degree in law, with at least two years of post-qualification experience.
- Existing Compliance Officers with five years of experience can continue, provided they have obtained the prescribed NISM certifications.



SUMMARY OF THE SEBI BOARD MEETING DISCUSSION AND APPROVAL OF THE AMENDMENTS TO THE SEBI (ICDR) REGULATIONS, 2018, AND SEBI (LODR) REGULATIONS, 2015, AIMED AT STRENGTHENING THE FRAMEWORK FOR PUBLIC ISSUES BY SMALL AND MEDIUM ENTERPRISES (SMES):

1. Objective of Amendments:

- The amendments aim to strengthen the framework for public issues by SMEs, facilitating SMEs with a sound track record to raise funds from the public and get listed on stock exchanges while protecting investor interests.

2. Eligibility for IPO:

- An issuer can make an Initial Public Offering (IPO) only if it has an operating profit of Rs. 1 crore from operations for any two out of the last three financial years at the time of filing the draft red herring prospectus (DRHP).

3. Offer for Sale (OFS) Limits:

- In SME IPOs, the Offer for Sale by selling shareholders cannot exceed 20% of the total issue size.
- Selling shareholders are also restricted from selling more than 50% of their holdings in the offer.

4. Lock-in on Promoters' Holding:

- The lock-in period for promoters' holding in excess of the minimum promoter contribution (MPC) will be phased:
 - 50% of the promoters' holding in excess of MPC will be released after one year.
 - The remaining 50% will be released after two years.

5. Allocation Methodology for Non-Institutional Investors (NIIs):

- The allocation methodology for non-institutional investors in SME IPOs will be aligned with the methodology used for NIIs in main board IPOs.

6. General Corporate Purpose (GCP) Cap:

- The amount raised for General Corporate Purpose in SME IPOs will be capped at

15% of the total amount being raised by the issuer or Rs. 10 crores, whichever is lower.

7. Prohibited Use of Issue Proceeds:

- SME IPOs will not be allowed if the proceeds are intended for the repayment of loans from promoters, the promoter group, or any related party, whether directly or indirectly.

8. Public Comments on DRHP:

- The DRHP filed by an SME IPO with the stock exchanges must be made available for public comments for 21 days.
- A public announcement will be made in a newspaper with a QR code to facilitate access to the DRHP.

9. Further Issue by SMEs:

- SME companies will be allowed to make further issues without migrating to the Main Board, as long as they comply with the applicable provisions of the SEBI (LODR) Regulations, 2015, which apply to Main Board listed companies.

10. Related Party Transaction (RPT) Norms:

- The RPT norms applicable to Main Board listed entities will also be extended to SME listed entities.
- The threshold for considering RPTs as material will be set at 10% of annual consolidated turnover or Rs. 50 crore, whichever is lower.

These amendments aim to enhance the SME listing process, ensure better governance, and provide a more robust regulatory framework to protect investors.



COMPLIANCE CALENDARS

Compliance Calendar to be followed by SEBI Registered Entities for the month
of **January 2025**

PMS Compliance Calendar

Sr.	Particulars	Due Date
1	Implementation of the CSCRF of SEBI Circular ref. no. SEBI/HO/ITD-1/ITD_CSC_EXT/P/CIR/2024/113 dated 20th August, 2024. Applicable for PMS with an AUM of Rs. 3000 Crores and above. https://www.apmiindia.org/storagebox/images/Circulars/APMI-%20Update%20on%20SEBI%20CSCRF%20Circular.pdf	01.01.2025
2	Publishing of Investor Charter and disclosure of Investor Complaints by Portfolio Managers on their websites.	07.01.2025
3	Monthly Report Submission to SEBI & APMI.	Within 7 working days
4	Quarterly Offsite Inspection Data Reporting to SEBI. (Subject to APMI's confirmation)	15.01.2025
5	Quarterly Report Submission to Investors.	Ideally before 31.1.2025
6	Quarterly report on compliance with SEBI Regulations and Guidelines and also that Due Diligences is exercised, to be placed in front of the Board	During the Board Meeting

AIF Compliance Calendar

Sr.	Particulars	Due Date
1	Disclosure of Investor Complaints by AIF on their websites.	07.01.2025
2	Quarterly Reporting of AIF activities to SEBI	15.01.2025



3	Reporting of overseas investment utilization to SEBI (If applicable)	Within 5 working days of such utilization
4	Quarterly Reporting to Investors (Applicable in case of Category III AIF)	Within 60 days from the end of quarter

Investment Advisers Compliance Calendar

Sr.	Particulars	Due Date
1	Publishing of Investor Charter and disclosure of Investor Complaints by Investment Advisers on their websites/mobile applications.	07.01.2025

Research Analysts Compliance Calendar

Sr.	Particulars	Due Date
1	Complaint Data to be displayed by RAs on their website/ mobile application	07.01.2025

Merchant Banking Compliance Calendar

Sr.	Particulars	Due Date
1	Implementation of SEBI Circular (ref. no. SEBI/HO/ITD-1/ITD_CSC_EXT/P/CIR/2024/113 dated 20th August, 2024) for Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs).	01.01.2025
2	Publishing Investor Charter and Disclosure of Complaints by Merchant Bankers on its website	07.01.2025
3	Disclosure of Track Record of the public issues managed by Merchant Bankers	Ongoing and Continuous requirements



Depository Participant Compliance Calendar

Sr.	Particulars	Due Date
1	Publishing of Investor Charter and disclosure of Investor Complaints on websites	07.01.2025
2	Monthly Reporting of Number of STRs Filed with FIU-IND (Only CDSL)	07.01.2025
3	Investor Grievances Report (CDSL & NSDL)	10.01.2025
4	Quarterly Reporting Cyber Security Incidence (Both NSDL & CDSL)	15.01.2025
5	Quarterly AI/ML Reporting Report (if applicable)	15.01.2025
6	Quarterly Reporting of Surveillance Obligations (Both NSDL & CDSL)	15.01.2025
7	Half-Yearly Submission of Compliance Certificate (Both NSDL & CDSL)	31.01.2025

Stock Broking Compliance Calendar

Sr.	Particulars	Due Date
1	Implementation of SEBI Circular ref. no. SEBI/HO/ITD-1/ITD_CSC_EXT/P/CIR/2024/113 dated 20th August, 2024 for Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs).	01.01.2025
2	Policy to be implemented on Handling of Good Till Cancelled Orders offered by Members to Clients - deadline for new clients & existing clients -All Exchanges.	01.01.2025
3	Settlement of running account (Quarterly).	03.01.2025 & 04.01.2025
4	Settlement of running account (Monthly).	03.01.2025 & 04.01.2025
6	Publishing of Investor Charter and disclosure of Investor Complaints on Websites.	07.01.2025
7	Applicability of Cautionary Messages on Trading Terminals.	10.01.2025



8	Quarterly Data Required for Computation of Securities Transaction Price Index (STPI).	15.01.2025
9	Quarterly Reporting of Cyber Security & Cyber Resilience Framework for Stock Brokers / Depository Participants (Incident Reporting).	15.01.2025
10	Quarterly Reporting of Artificial Intelligence and Machine Learning Applications Used by Members.	15.01.2025
11	Quarterly Reporting Surveillance Obligations for Trading Members.	15.01.2025
12	Submission of UCC wise quarterly settlement details to exchanges (T+10 trading days from the date of settlement).	17.01.2025
13	Submission of VAPT report and/or Action Taken Report (ATR)/Compliance report.	31.01.2025
14	Submission of Details of AP Inspections undertaken during the quarter ended 31.12.2024 (Even if NIL AP inspected, submission is mandatory).	31.01.2025
15	Revision in contract note format-Extension of timeline.	31.01.2025
16	Number of STR filed with FIU-IND (Only BSE).	Before 31.01.2025
17	Uploading of day-wise Holding statement in the specified standard format to Exchange (within next day)-All Exchanges.	Daily Ongoing
18	Uploading of clients mapped with Authorised Persons (AP) before the next 2 trading days of subsequent week-All Exchanges.	Weekly
19	Requirement of sending a complete 'Statement of Accounts' for funds, securities, and commodities in respect of each client (within next four trading days of the subsequent week)-All Exchanges.	Weekly



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CHARTERED ACCOUNTANTS



ABOUT THE FIRM

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Services:

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- In-depth concurrent audits covering SEBI, Exchanges, and Depositories guidelines.
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