



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

CIRCULAR

CIR/MIRSD/2/2011

June 3, 2011

To

All Recognized Stock Exchanges

Dear Sir/Madam,

Sub: Periodical Report – Grant of prior approval to members of stock exchanges/sub-brokers

- 1) SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 {hereinafter referred to as "the said Regulations"}, have been amended vide Notification No. LAD-NRO/GN/2011-12/03/12650 dated April 19, 2011 {hereinafter referred to as "the said amendment"}, a copy of which is available on SEBI website www.sebi.gov.in
- 2) With the said amendment, the requirement of members of the stock exchanges and sub-brokers to obtain prior approval from SEBI for change in status or constitution has been done away with. However, the members of the stock exchanges would be required to take prior approval from SEBI for change in control.
- 3) The stock exchanges will continue to grant prior approval to their members and sub-brokers for change in status or constitution, which would include the following;
 - (a) in case of a body corporate —
 - (i) amalgamation, demerger, consolidation or any other kind of corporate restructuring falling within the scope of section 391 of the Companies Act, 1956 (1 of 1956) or the corresponding provision of any other law for the time being in force;
 - (ii) change in its managing director, whole-time director or director appointed in compliance with clause (v) of sub-rule (4A) of rule 8 of the Securities Contracts (Regulation) Rules, 1957; and
 - (iii) any change in control over the body corporate;
 - (b) any change between the following legal forms - individual, partnership firm, Hindu undivided family, private company, public

- company, unlimited company or statutory corporation and other similar changes;
- (c) in case of a partnership firm any change in partners not amounting to dissolution of the firm;
 - (d) any other purpose as may be considered appropriate by the stock exchanges
- 4) The stock exchanges shall submit a periodical report with details of the changes in status or constitution of the members / sub-brokers, as per the format and in accordance with guidelines given at Annexure A.
- 5) The stock exchanges are directed to:
- (a) bring the provisions of this circular to the notice of the Stock Brokers and also disseminate the same on their websites.
 - (b) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another to achieve uniformity in approach.
 - (c) communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports.
- 6) This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
- 7) This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Circulars".

Yours faithfully,

V.S.Sundaresan
Chief General Manager
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Encl: Annexure A

Format for reporting changes in "status or constitution" of members/ sub-brokers

Name of the stock exchange:-

Report for the quarter ending:- June/September/December/March

Year:-

Date of report:-

S.No.	Date of receipt	Name of the member/ sub-broker	Registration number INB/F/E INS	Type of change	Details of changes		PAN (incoming entities)	Date of Change	Date of approval by Stock Exchange
					Pre	Post			

Type	Description of Change
I	Amalgamation, demerger, consolidation or any other kind of corporate restructuring falling within the scope of section 391 of the Companies Act, 1956 (1 of 1956) or the corresponding provision of any other law for the time being in force.
II	Change in managing director, whole-time director or director appointed in compliance with clause (v) of sub-rule (4A) of rule 8 of the Securities Contracts (Regulation) Rules, 1957.
III	Change in control.
IV	Any change between the following legal forms - individual, partnership firm, Hindu undivided family, private company, public company, unlimited company or statutory corporation and other similar changes.
V	In case of a partnership firm any change in partners not amounting to dissolution of the firm.
VI	Any other purpose as may be considered appropriate by the stock exchanges.

Guidelines to fill up the format and sending the same to SEBI

- 1) A separate annexure shall be submitted for each "Type of change" as specified in the format.
- 2) The report shall be signed by an authorized representative of the stock exchange and the same shall be stamped.
- 3) The Stock Exchanges shall furnish the report to SEBI by 7th day of month following the end of each quarter, starting with report for the quarter ending June 2011. Thus the first report shall be submitted to SEBI on or before July 07, 2011.
- 4) The report shall be submitted by e-mail at serpa@sebi.gov.in. A hard copy of the report shall also be submitted to SEBI.