



CIRCULAR

CIR/MIRSD/12/2011

July 11, 2011

To
All Recognized Stock Exchanges

Sub: Clarification regarding admission of Limited Liability Partnerships as members of Stock Exchanges.

Dear Sir/Madam,

We have received requests from various stock exchanges to permit Limited Liability Partnerships (LLPs) to be admitted as members of stock exchanges so as to enable them to get registration as stock broker under SEBI (Stock brokers and Sub-brokers) Regulations, 1992.

2. Securities Contract Regulation Rules, 1957 (SCRR) do not explicitly mention LLPs as the Limited Liability Partnership Act, 2008 was a subsequent development. As per the LLP Act, LLP is a body corporate. Sub-rule 4A and 5 of Rule 8 of the SCRR provides that Limited Liability Companies (LLC) and partnership firms are eligible to be admitted as members of stock exchanges. In this context it may be stated that LLPs are akin to LLC and partnership firms.
3. In view of the above and since the Parliament has put in place a legal framework for LLPs, Stock Exchanges may consider granting membership to LLPs subject to LLP complying with the conditions laid down in Rule 8(4A) of the SCRR, as far as it can apply to LLPs.
4. The stock exchanges are advised to:
 - a) Bring the provisions of this clarification to the notice of the Stock Brokers and also disseminate the same on their websites.
 - b) Make necessary clarificatory amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in coordination with one another to achieve uniformity in approach.

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