

CIRCULAR

SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/167

November 30, 2022

To,

**Issuers who have listed and/ or propose to list Non-convertible Securities, Securitised Debt Instruments, Security Receipts or Municipal Debt Securities;
Recognised Stock Exchanges;
Registered Depositories;
Registered Credit Rating Agencies, Debenture Trustees, Depository Participants, Stock Brokers, Merchant Bankers, Registrars to an Issue and Share Transfer Agents, Bankers to an Issue;
Sponsor Banks; and
Self-Certified Syndicate Banks**

Madam/ Sir,

Sub: Review of timelines for listing of securities issued on a private placement basis

(Revision in Chapter VII of the "Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper")

1. Chapter VII of the Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, *inter alia*, prescribes provisions pertaining to timelines for listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts and Municipal Debt Securities, issued on a private placement basis.
2. SEBI has received feedback from market participants to consider standardizing the pre-listing processes and revision of the time gap between credit confirmation and ISIN activation in order to bring about efficiency in the market.
3. In order to bring about clarity and standardization in the process of issuance and listing of such securities, on private placement basis, a list of the steps involved, pre-listing and post-listing, and relevant timelines have been detailed, both through Electronic Book Provider (EBP) platform and otherwise.
4. Further, to bring about efficacy in the listing process and to expedite the availability of securities for trading by the investors, the timeline for listing is being reduced from T+4 to T+3 days (wherein T refers to issue closure date).
5. Additionally, in terms of Regulation 6 of the SEBI (Issue and listing of Non-convertible Securities) Regulations, 2021 and Regulation 4A of the SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, timelines for making an application for in-principle approval to the stock exchange(s) where the issuer intends to list its securities and/ or receipt of in-principle approval from the stock exchange(s), are being incorporated.
6. Accordingly, the extant Chapter VII (Standardization of timelines for listing of securities issued on a private placement basis) of the aforementioned Operational Circular is being replaced with a revised Chapter, as enclosed herewith, **Annex – A**.
7. The provisions of this circular shall come into effect from January 1, 2023.

8. Recognized Stock Exchanges and Depositories are directed to:
 - a. put in place necessary systems and infrastructure for implementation of this circular;
 - b. bring the provisions of this circular to the notice of listed entities/ issuers of listed Non-Convertible Securities, Securitised debt instruments, and/ or municipal debt securities;
 - c. monitor the compliance with the provisions of the circular;
 - d. disseminate the provisions of the circular on their website;
 - e. make consequential changes, if any, to their respective bye-laws; and
 - f. communicate and create awareness amongst stakeholders.
9. The Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 55 of the SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021, Regulations 48 of SEBI SDI Regulations, 2008 and Regulation 29 of SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
10. This Circular is available at www.sebi.gov.in under the link "Legal→Circulars".

Yours faithfully,

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Chapter VII - Standardization of timelines for listing of securities issued on a private placement basis¹

[See Regulations 6, 44 and 46 of SEBI NCS Regulations, 2021, Regulations 24 and 38D of the SEBI SDI Regulations, 2008 and Regulations 4A, 4E and Clause 7(m) of Schedule I of SEBI ILDM Regulations, 2015]

1. This chapter shall be applicable for non-convertible securities, securitised debt instruments, security receipts and municipal debt securities (hereinafter referred to as “securities” in this chapter) issued on a private placement basis.

In-principle approval:

2. An issuer desirous of issuing and listing non-convertible securities or municipal debt securities, shall make an application for in-principle approval to the stock Exchange(s), in terms of Regulation 6 of the NCS Regulations or Regulation 4A of the ILDM Regulations, respectively, complete in all respects, including the submissions and disclosures, as may be specified by the stock exchange(s).

Timelines for issuance and listing of securities on private placement basis:

3. The timelines for each of the steps involved, from submission of the application for in-principle approval to the listing of the security on the stock exchange(s), are given below:

Table 1: Timelines for issuance and listing of securities on private placement basis

Category	Timeline (working day)	Nature of activity	
		EBP	Non-EBP
In-principle approval	Prior to T-2/ T-5 (EBP); Prior to T (Non-EBP)	Issuer shall ensure receipt of in-principle approval from the stock exchange(s) where it wishes to list its proposed debt issuance/ securities, prior to the date of providing the Placement Memorandum and term sheet to the EBP(s), in terms of paragraph 5.2 of Chapter VI of the Operational Circular.	Issuer shall ensure receipt of in-principle approval from the stock exchange(s) where it wishes to list its proposed debt issuance/ securities, prior to issue open date.
Bidding announcement	On or before T-1	Issuer shall provide the bidding start time and	Issue period (open and close date) is to be disclosed by the

¹SEBI/HO/DDHS/CIR/P/2020/198 dated October 05, 2020;



Category	Timeline (working day)	Nature of activity	
		EBP	Non-EBP
		close time to EBP, on or before T-1.	Issuer in the Placement memorandum.
Day of bidding/ Issue period	T	<ul style="list-style-type: none"> • Bidding on the EBP platform; • Provisional allocation to the bidders by the issuer; • Communication about allotments and pay-in obligations to the bidders; 	<ul style="list-style-type: none"> • Finalisation of allotments to investors on issue closure date. • Communication about allotments and pay-in obligations to the investors on issue closure date.
ISIN allocation/ assignment/ confirmation by Depository	On or before T+1	<ul style="list-style-type: none"> • Issuer shall ensure receipt of ISIN from a Depository prior to pay-in. • Issuer shall apply to other Depository(ies) for admission of such proposed debt issuance. 	<ul style="list-style-type: none"> • Issuer shall ensure receipt of ISIN from a Depository prior to pay-in. • Issuer shall apply to other Depository(ies) for admission of such proposed debt issuance.
Settlement	<p>On or before T+1/ T+2 (as per settlement cycle chosen by the Issuer) (EBP);</p> <p>On or before T+2 (Non-EBP);</p>	<ul style="list-style-type: none"> • Pay-in by the bidders/ allottees; • Communication of receipt of money to the Issuer; • Finalisation of allocation by the Issuer; • Payment of stamp duty by Issuer; • Filing of Corporate action file by RTA; • Conclusion of Corporate action/ demat credit by the Depositories; • Pay-out of funds to the Issuer; • Issue of credit confirmation letter by Depositories to Issuer; 	<ul style="list-style-type: none"> • Receipt of funds by the Issuer from investors; • Finalisation of allocation by the Issuer; • Payment of stamp duty by Issuer; • Filing of Corporate action file by RTA; • Conclusion of Corporate action/ demat credit by the Depositories; • Issue of credit confirmation letter by Depositories to Issuer;
Listing	On or before T+3;	<ul style="list-style-type: none"> • Issuer shall make an application for listing of its non-convertible securities or municipal debt securities, to the stock exchange(s), in terms of Regulation 44 of the NCS Regulations or Regulation 4E of the ILDM Regulations, respectively, complete in all respects, including the submissions 	<ul style="list-style-type: none"> • Issuer shall make an application for listing of its non-convertible securities, municipal debt securities, securitised debt instruments or security receipts, to the stock exchange(s), in terms of Regulation 44 of the NCS Regulations,



Category	Timeline (working day)	Nature of activity	
		EBP	Non-EBP
		and disclosures, as may be specified by the stock exchange(s), and within the timelines as may be specified by the stock exchange(s). <ul style="list-style-type: none">• Confirmation of listing permission to Issuer by the stock exchange(s).• ISIN activation by the Depositories.	Regulation 4E of the ILDM Regulations or Regulations 35 and 38D of the SDI Regulations, respectively, complete in all respects, including the submissions and disclosures, as may be specified by the stock exchange(s), and within the timelines as may be specified by the stock exchange(s). <ul style="list-style-type: none">• Confirmation of listing permission to Issuer by the stock exchange(s).• ISIN activation by the Depositories.

**For privately placed issues through EBP, T implies bidding date; for privately placed issues outside EBP, T implies issue open date;*

Note: In the above table, for privately placed issue outside EBP, for illustration, it is assumed that issue is open for one day only. In case issue is kept open for more than one day, the timelines specified above for activities post the bidding date shall be computed from issue closure date.

4. Stock exchange(s) are advised to inform the listing approval details to the Depositories whenever listing permission is given to securities issued on private placement basis.
5. Depositories shall activate the ISINs of securities issued on private placement basis only after the stock exchange(s) have accorded approval for listing of such securities.

Further, in order to facilitate re-issuances of new debt securities in an existing ISIN, Depositories are advised to allot such new securities under a new temporary ISIN which shall be kept frozen. Upon receipt of listing approval from stock exchange(s) for such new securities, the securities credited in the new temporary ISIN shall be debited and the same shall be credited in the pre-existing ISIN of the existing securities, before they become available for trading.

6. In case of delay in listing of securities issued on privately placement basis beyond the timelines specified above, the issuer shall pay penal interest of 1% p.a. over the coupon/ dividend rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing).

7. The stock exchanges are advised to issue necessary directions regarding:
 - a. the submissions/ disclosures required to be made by an issuer at the time of making an in-principle approval application and listing application; and
 - b. the timelines within which such application for in-principle approval and listing, is to be made by an Issuer.
8. The stock exchanges may permit deviation from the above, if found necessary, subject to the outer limit of T+3 days for conclusion of listing process, after recording the reasons in writing.