

CIRCULAR

SEBI/HO/MRD/MRD-PoD-2/P/CIR/2024/25

April 24, 2024

To
All recognised Stock Exchanges

Dear Sir/ Madam,

Sub: Ease of Doing Business: Text on Contract Note with respect to Fit and Proper status of shareholders

1. SEBI has received representations from market participants through the Industry Standards Forum (ISF) to relax the requirement, under chapter 6 at Para 2.4.2.2.2 of the Master Circular (Stock Exchanges and Clearing Corporations) dated October 16, 2023, of publishing the text pertaining to 'fit and proper' on the contract note in terms of Regulation 19 and 20 of the SEBI (Securities Contract (Regulation) (Stock Exchanges and Clearing Corporation) Regulations, 2018 (i.e. SCR (SECC) Regulations, 2018).
2. As a step towards ease of doing business, the requirement to publishing the text of Regulation 19 of the SCR(SECC) Regulations, 2018 on the contract notes is no longer required and Clause 2.4.2.2.2 under Chapter 6 of the Master Circular (Stock Exchanges and Clearing Corporations) dated October 16, 2023 stands amended as under:

“In the post listing scenario, in lieu of text only a reference of the applicable regulation with regard to fit and proper (by mentioning the URL/weblink of Regulation 19 and 20 of the SCR(SECC) Regulations, 2018) shall be made part of the contract note.”

3. The Stock Exchanges are accordingly advised to:
 - a. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be necessary/applicable.
 - b. bring the provisions of this circular to the notice of their members and to disseminate the same on their website.
 - c. communicate to SEBI the status of implementation of the provisions of this circular in the Monthly Development Report.

- a. This circular is being 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 market.

Yours faithfully,

Vishal Shukla
General Manager
vishals@sebi.gov.in
022-26449959