

- SEBI

SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI")

A. Exit load - Parity among all classes of unit holders

SEBI, vide its circular dated August 7, 2009¹, has directed all Mutual Funds, Asset Management Companies and Association of Mutual Funds in India that no distinction among unit holders should be made based on the amount of subscription while charging exit loads.

Further, vide circular dated August 17, 2009², SEBI has directed all Mutual Funds to ensure compliance with the circular dated August 7, 2009³ on or before August 24, 2009.

¹ SEBI / IMD / CIR No. 6 /172445/ 2009

² SEBI / IMD / CIR No. 7 /173650 / 2009

³ SEBI / IMD / CIR No. 6 /172445/ 2009

For more information please refer to

<http://www.sebi.gov.in/circulars/2009/imdcir062009.pdf>

<http://www.sebi.gov.in/circulars/2009/cir072009.html>

B. Securities and Exchange Board of India (Aid for Legal Proceedings) Guidelines, 2009

SEBI has issued the Securities and Exchange Board of India (Aid for Legal Proceedings) Guidelines, 2009 ("LP Guidelines"). The LP Guidelines provide for the following:

- making of application to the Board seeking aid for undertaking legal proceedings;
- process of granting the aid;
- disbursement of aid granted;
- restrictions on utilization of the aid granted; and

- powers of the SEBI Board to call for information and inspect.

For the entire text of the LP Guidelines, please refer to

<http://www.sebi.gov.in/acts/legalaid.pdf>

C. Exchange Traded Interest Rate Futures

SEBI, vide its circular dated August 28, 2009⁴, has permitted Recognized Stock Exchanges and their Clearing Corporations / Clearing Houses, Clearing Members and Trading Members to trade in Exchange traded 10-Year Notional coupon bearing Government of India security futures pursuant to the terms and conditions with regard to product design, risk management measures and other related issues as stipulated in the said circular.

For more information please refer to

<http://www.sebi.gov.in/circulars/2009/irfcir.pdf>

D. Anti Money Laundering (AML) Standards/Combating Financing of Terrorism (CFT)/Obligations of Securities

⁴ SEBI/DNPD/Cir- 46 /2009

Market Intermediaries under Prevention of Money Laundering Act, 2002 and Rules framed there-under

SEBI, vide Master Circular dated December 19, 2008⁵, issued consolidated requirements/obligations to be fulfilled by all registered intermediaries with regard to AML/CFT. In addition to the obligations contained in the said Master Circular, SEBI has, vide circular dated September 01, 2009⁶, issued additional requirements to be fulfilled by the registered intermediaries as well as issued clarifications with regard to existing requirements.

For more information please refer to

<http://www.sebi.gov.in/circulars/2009/antimoney.pdf>

E. Notification of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009⁷

SEBI has framed the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"), which

⁵ No. ISD/AML/CIR-1/2008

⁶ ISD/AML/CIR-1/2009

⁷ SEBI/CFD/DIL/ICDRR/1/2009/03/09; circular dated September 3, 2009

were notified on August 26, 2009. The ICDR Regulations have been made primarily by conversion of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 (since rescinded) (“rescinded Guidelines”).

While incorporating the provisions of the rescinded Guidelines into the ICDR Regulations, certain changes were made by removing the redundant provisions, modifying certain provisions on account of changes necessitated due to market design and bringing more clarity to the provisions of the rescinded Guidelines. The significant changes have been listed in Annexure I of the said circular.

Further, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“SEBI (ESOS and ESPS) Guidelines”) contained certain provisions which were required to be complied with by an unlisted issuer at the time of making an initial public offer. These provisions have now been incorporated in the ICDR Regulations and consequently removed from the SEBI (ESOS and ESPS)

Guidelines, through issuance of a circular dated September 3, 2009⁸.

For more information please refer to

<http://www.sebi.gov.in/circulars/2009/icdrnoticir.pdf>

- F. Application under rule 19(7) of the Securities Contracts (Regulation) Rules, 1957 for relaxing strict enforcement of rule 19(2) (b) thereof

Clause 8.3.5 of the rescinded Guidelines contained provisions for considering the applications under rule 19(7) of the Securities Contracts (Regulation) Rules, 1957 (“SCRR”) in certain cases. Since this clause pertained to the matters relating to listing of securities under SCRR, the same was not incorporated in the ICDR Regulations but issued separately by way of circular dated September 3, 2009⁹.

The circular clarifies that the applications pending as on the date

⁸ SEBI/CFD/DIL/ESOP/5/2009/03/09; circular
<http://www.sebi.gov.in/circulars/2009/cir052009.html>

⁹ SEBI/CFD/SCRR/01/2009/03/09

of the said circular shall be considered in accordance with the said circular.

For more information please refer to

<http://www.sebi.gov.in/circulars/2009/scrrcir.pdf>

G. Amendments to Equity Listing Agreement

The matters relating to issue of capital and the manner of disclosure of such and other matters incidental thereto have been provided in the ICDR Regulations. SEBI has, vide circular dated September 3, 2009¹⁰ incorporated the provisions of clause 3.5.3 of the SEBI rescinded Guidelines in the equity listing agreement by amending clause 19 of the equity listing agreement, as these provisions pertain to compliance of listing conditions by a listed issuer.

For more information please refer to

<http://www.sebi.gov.in/circulars/2009/cirdilla3.html>

H. Disclosure of investor complaints and arbitration details on Stock Exchange website

SEBI has directed, vide circular dated September 03, 2009¹¹, Stock Exchanges to disclose the details of complaints lodged by clients / investors against trading members and companies listed in the exchange, in their website. The aforesaid disclosure is also required to include details pertaining to arbitration and penal action against the trading members.

For more information please refer to

<http://www.sebi.gov.in/circulars/2009/cir10.pdf>

¹⁰ SEBI/CFD/DIL/LA/3/2009/03/09

¹¹ MRD/ DoP / SE / Cir- 10 /2009

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