

SEBI

Recent Circulars

1. SEBI vide Circular No. SEBI/HO/MRD/DOP2-DSA2/CIR/P/2019/22 dated January 23rd, 2019 has issued clarifications in SEBI (Depositories and Participants) Regulations, 2018

It is clarified that:

- For the purpose of Regulation 24 (9) and Regulation 24 (10) of SEBI (D&P) Regulations 2018, a recognized clearing corporation shall not be considered as a Depository Participant.
 - For the purpose of 24(10) of SEBI (D&P) Regulations 2018, in addition to the directors, employee/s of entities mentioned in Regulation 24 (10) shall not be considered as Depository Participant or their associate.
2. SEBI vide its Notification no. LAD-NRO/GN/2014-15/21/85 has issued Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2019 – Dated January 21, 2019 to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework.
 3. SEBI vide its Notification no. LAD-NRO/GN/2013-14/36/12 has issued SEBI (Foreign Portfolio Investors) Regulations, 2014 [Last amended on December 31, 2018] dated January 18, 2019 hereby, making the following Regulations, to put in place a framework for registration and procedures with regard to foreign investors who propose to make portfolio investment in India.
 4. SEBI vide Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/17 dated January 16, 2019 has issued Norms for investment and disclosure by mutual funds in derivatives.
 - Based on the suggestions of market participants and recommendations of Mutual Fund Advisory Committee (MFAC), it has been decided to permit mutual funds to write call options under a covered call strategy as prescribed in the Circular.
 - For schemes intending to use covered call strategy, the risks and benefit of the same, must be disclosed in the Scheme Information Document
 - For existing schemes, writing of call options shall be permitted subject to appropriate disclosure and compliance with Regulation 18 (15A) of SEBI (Mutual Funds) Regulations, 1996.
 5. SEBI vide Circular No. SEBI/HO/DDHS/CIR/P/2019/15 dated January 15, 2019 has issued amendments to “Guidelines for public issue of units of REITs” (“REIT Guidelines”) with a view to further rationalize and ease the process of public issue of units of REITs.
 6. With a view to further rationalize and ease the process of public issue of units of InvITs, SEBI vide Circular No. SEBI/HO/DDHS/CIR/P/2019/16 dated January 15, 2019 has issued amendments to Guidelines for public issue of units of InvITs” (“InvIT Guidelines”).
 7. With rapid technological advancement in securities market, there is greater need for maintaining robust cyber security and to have cyber resilience framework to protect integrity of data and guard against breaches of privacy, Therefore, SEBI on the recommendation of its High Powered Steering Committee -Cyber Security, vide Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/12 dated January 10, 2019 has decided that the framework prescribed vide SEBI circular CIR/MRD/DP13/2015 dated July 06, 2015 on cyber security and cyber resilience shall also be made applicable to all Mutual Funds / AMC. Accordingly, all Mutual Funds / AMCs shall comply with the provisions of Cyber Security and Cyber Resilience as placed.

8. SEBI vide Circular No. SEBI/HO/IMD/DF3/CIR/P/2019/011 dated January 10, 2019, in order to address the risk related to portfolio concentration in ETFs and Index Funds has issued Portfolio Concentration Norms for Equity Exchange Traded Funds (ETFs) and Index Funds.
9. SEBI made a press release on 08th January, 2019 explaining the constitution of a Research Advisory Committee headed by Dr. Sankar De and comprising of prominent financial economists and market practitioners as members.
The terms of reference of the Committee are:
 - Defining objectives, scope and direction of research relevant for development and regulation of capital markets in India and for SEBI, especially keeping in view the linkage of research to policy making.
 - Strategy for effective execution and delivery of research identified under item (1) above.
 - Promotion/development/maintenance of databases relevant for capital market regulation research.
 - Exploring research collaborations with external researchers, including other regulators as well as academic institutions, both domestically and overseas, as appropriate.
 - Promotion/development of research proposals in-house as well as by interested external researchers.
10. SEBI vide Circular No. SEBI/HO/IMD/DF3/CIR/P/2019/011 dated January 04, 2019 has in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018, has prescribed succession certificate or probate of will or will or letter of administration or court decree, as may be applicable in terms of Indian Succession Act, 1925 as documentary requirement for transmission of securities held in physical mode.
Further, with regard to transmission of securities held in dematerialized mode, the same is dealt in terms of bye laws of the Depositories. In order to harmonize the procedures for transmission of securities in dematerialized mode with that of transmission of securities in physical mode, it has been decided that transmission of securities held in dematerialized mode shall be dealt in line with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018.
11. SEBI vide Circular No. SEBI/HO/MIRSD/DOS2/CIR/P/2019/10 dated January 04, 2019 has asked all Stock Brokers, Depository Participants, Recognized Stock Exchanges and Depositories to report for Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by market intermediaries.
12. Transparency in the commodities derivatives markets is paramount for price signals as well as its correlation with the underlying physical market activities. In order to enhance transparency to the public in Commodity Derivatives Markets SEBI vide Circular No. SEBI/HO/CDMRD/DNPMP/ CIR/P 2019/08 dated 04 January, 2019 on the recommendation by Commodity Derivatives Advisory Committee (CDAC), has directed all recognized stock exchanges to make additional disclosures on their websites with respect to trading in commodity derivatives.
13. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/31 dated 04 January, 2019 has issued Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Last amended on December 31, 2018].

14. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2019/01 dated 01 January, 2019 has issued Securities and Exchange Board of India (Custodian of Securities) (Amendment) Regulations, 2018 to further amend the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996.