

**THE GAZETTE OF INDIA
EXTRAORDINARY
PART – III – SECTION 4
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New Delhi, July 14, 2009
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 14th July, 2009**

**SECURITIES AND EXCHANGE BOARD OF INDIA
(INTERMEDIARIES) (AMENDMENT) REGULATIONS, 2009**

No. LAD-NRO/GN/2009-10/12/169546 - In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Intermediaries) Regulations, 2008, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Intermediaries) (Amendment) Regulations, 2009.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Intermediaries) Regulations, 2008, after chapter V, the following chapter shall be inserted, namely:-

“CHAPTER VA

Situations when summary procedure to be followed.

33A. Notwithstanding anything contained in these regulations, any proceedings initiated under Chapter III of the erstwhile Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 (repealed vide notification No. LAD-NRO/GN/2008/11/126538 dated May 26, 2008) prior to the coming into force of these regulations, shall be disposed of in accordance with the provisions of this chapter.

Procedure to be followed under this chapter

33B. (1) The Chairman or member may appoint an officer of the Board, not below the rank of Assistant General Manager or Assistant Legal Advisor for giving his recommendation after following the procedure under this regulation in respect of the proceedings referred to in regulation 33A:

Provided that in respect of the proceedings referred to in regulation 33A, if a representation is received from an intermediary to dispense with the procedure laid down in regulation 33B, the Chairman or the member may not appoint an officer of the Board under this sub-regulation and pass an appropriate order after considering the representation of the intermediary.

- (2) The officer appointed under sub-regulation (1) shall issue to the intermediary, against whom the proceedings are being held, a notice requiring the intermediary to make a written submission in reply to the notice within such time, not exceeding fifteen days after the receipt of the notice, as may be specified in the notice:

Provided that the officer may extend the time mentioned under sub-regulation (2) for sufficient reasons to be recorded in writing.

- (3) If the intermediary fails to make a written submission to the notice within the period specified in the notice, the officer shall, after considering the circumstances and in light of the material on record, submit a report to the Chairman or the member, as the case may be, and may recommend taking of any action under regulation 27 as he considers appropriate in the circumstances of the case and shall give reasons for recommending such action.
- (4) If the intermediary makes submission within the said period, the officer shall, after considering the submission so made, submit a report to the Chairman or the member, as the case may be, and may recommend taking of any action under regulation 27 as he considers appropriate in the circumstances of the case and shall give reasons for recommending such action.
- (5) The Chairman or the member, as the case may be, after receipt of recommendations from the officer under sub-regulation (3) or sub-regulation (4), shall pass such orders as he may deem appropriate.
- (6) The Chairman or the member may pass a common order in respect of a number of intermediaries where the subject matter in question is substantially the same or similar in nature.

Publication of order.

33C. The Board shall issue a press release in respect of an order under this chapter in at least two newspapers of which at least one shall have nationwide circulation and shall also put the order on the website of the Board.”

C. B. BHAVE
CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA

Footnotes:

1. The principal regulations, Securities and Exchange Board of India (Intermediaries) Regulations, 2008 were published in the Gazette of India, Part III Section 4 on May 26, 2008 vide notification No. LAD-NRO/GN/2008/11/126538.

2. The Securities and Exchange Board of India (Intermediaries) Regulations, 2008 were subsequently amended on August 11, 2008 by Securities and Exchange Board of India (Stock Brokers and Sub- Brokers) (Amendment) Regulations, 2008, vide notification No. LAD-NRO/GN/2008/20/134766.