



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

CIR/MIRSD/CRA/7/2010

May 13, 2010

All Credit Rating Agencies Registered with SEBI

Dear Sirs,

**Sub : SEBI (Credit Rating Agencies) (Amendment) Regulations, 2010 –
Gazette Notification dated March 19, 2010**

Please find enclosed a copy of the Securities and Exchange Board of India (Credit Rating Agencies) (Amendment) Regulations, 2010 published in the Gazette of India dated March 19, 2010 for your information and implementation.

Yours faithfully,

**Prasanta Mahapatra
Deputy General Manager
Tel. No: 022-26449313
Email id : prasantam@sebi.gov.in**

Encl: as above

THE GAZETTE OF INDIA
EXTRAORDINARY
PART – III – SECTION 4
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NEW DELHI, MARCH 19, 2010
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 19th March, 2010

SECURITIES AND EXCHANGE BOARD OF INDIA
(CREDIT RATING AGENCIES) (AMENDMENT) REGULATIONS, 2010

No. LAD-NRO/GN/2009-2010/30/199044 – In exercise of the powers conferred by section 30 read with section 11 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 (Credit Rating Agencies) Regulations, 1999, namely: -

1. These regulations may be called the Securities and Exchange Board of India (Credit Rating Agencies) (Amendment) Regulations, 2010.
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 (Credit Rating Agencies) Regulation, 1999: -
 - (i) in regulation 2, in sub-regulation (1), after clause (e), the following clauses shall be inserted, namely:-
 - (ei) “change of status or constitution” in relation to a credit rating agency -
 - (i) means any change in its status or constitution of whatsoever nature; and
 - (ii) without prejudice to generality of sub-clause (i), includes—
 - (A) amalgamation, demerger, consolidation or any other kind of corporate restructuring falling within the scope of section 391 of the Companies Act, 1956 (1 of 1956) or the corresponding provision of any other law for the time being in force;
 - (B) change in its managing director or whole-time director; and
 - (C) any change in control over the body corporate;
 - (eii) “change in control”, in relation to a credit rating agency being a body corporate, means:—
 - (i) if its shares are listed on any recognised stock exchange, change in control as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;

(ii) in any other case, change in the controlling interest in the body corporate.

Explanation: For the purpose of sub-clause (ii), the expression “controlling interest” means an interest, whether direct or indirect, to the extent of at least fifty-one per cent of voting rights in the body corporate;’

(ii) in regulation 9, in sub-regulation (1), after clause (b), the following clause shall be inserted, namely:-

“(c) where the credit rating agency proposes to change its status or constitution, it shall obtain prior approval of the Board for continuing to act as such after the change.”

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

Footnotes:

1. The principal regulations, SEBI (Credit Rating Agencies) Regulations, 1999 were issued under S.O. No. 547 (E) dated July 7, 1999 published in the Gazette of India.
2. SEBI (Credit Rating Agencies) Regulations, 1999 were subsequently amended on-
 - (a) March 28, 2000 by SEBI (Appeal to Securities Appellate Tribunal) (Amendment) Regulations, 2000 published in Official Gazette vide S.O. No. 278(E).
 - (b) May 29, 2001, by SEBI (Investment Advice by Intermediaries) (Amendment) (Regulations), 2001 vide S.O. No. 476 (E).
 - (c) September 27, 2002 by SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 vide No. S.O. No.1045 (E).
 - (d) February 19, 2003 by SEBI (Credit Rating Agencies) (Amendment) Regulations, 2003 vide S.O. No. 203 (E).
 - (e) October 1, 2003 by SEBI (Credit Rating Agencies) (Second Amendment) Regulations, 2003 vide S.O. No. 1160 (E).
 - (f) March 10, 2004 by SEBI (Criteria for Fit and Proper Person) Regulations, 2004 vide S. O. No. 398 (E).
 - (g) September 7, 2006 by SEBI (Credit Rating Agencies) (Amendment) Regulations, 2006 vide S. O. No. 1454(E).
 - (h) May 26, 2008 by SEBI (Intermediaries) Regulations, 2008 vide no. LAD-NRO/GN/2008/11/126538.