भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

Consultation Paper on Recognition of Body Corporate for Administration and Supervision of Research Analysts

1. Objective

1.1. The objective of this consultation paper is to seek comments from public on the proposal for recognition of body corporate for administration and supervision of Research Analysts (**'RAs'**) under Securities and Exchange Board of India (Research Analysts) Regulations, 2014 (**'the RA Regulations'**).

2. Background

2.1. In terms of regulation 14 of Securities and Exchange Board of India (Investment Advisers), Regulations, 2013 (**'the IA Regulations'**), Securities and Exchange Board of India (**'SEBI'**) has granted recognition to an entity designated as "Investment Adviser Administration and Supervisory Body" (**'IAASB'**) for administration and supervision of Investment Advisers (**'IAs'**). After seeking interest of eligible stock exchanges, BSE Administration & Supervision Limited (**'BASL'**), a wholly owned subsidiary of BSE Limited, has been granted recognition as IAASB for a period of three years from June 01, 2021. Further, vide circular No. SEBI/HO/IMD/IMD-I/DOF1/P/CIR/2021/579 dated June 18, 2021, SEBI has provided a framework for administration and supervision of IAs inter alia specifying the role and responsibilities of IAASB.

2.2. Similar to the IA regulations, regulation 14 of the RA Regulations also provides that SEBI can recognise any body/body corporate for administration and supervision of RAs on such terms and conditions as may be specified by SEBI. It also provides that SEBI may specify that no person shall act as RA unless he is a member of a recognised body/body corporate and in such event, provisions of the RA Regulations and bye-laws or articles of such body/body corporate shall apply mutatis mutandis to such RA.

3. Proposal

3.1. Considering the evolving nature of business of RAs, it is proposed that, on similar lines as IAASB, SEBI may recognise a body, designated as Research Analyst Administration and

Supervisory Body (**'RAASB'**), to administer and supervise RAs and thereby extend the framework for administration and supervision to RAs as in the case of IAs.

3.2. The proposed RAASB shall not place any additional financial burden on the member RAs and shall be fee neutral to them. The application fee and registration fee as specified presently in the RA Regulations is proposed to be rationalised accordingly.

3.3. Further, it is proposed to amend regulation 6 of the RA Regulations to provide that membership of RAASB shall be one of the eligibility criteria for consideration of grant of certificate of registration as RA.

4. Public Comments

4.1. Public comments are invited on the aforesaid proposal at para 3 in the following format:

Name of entity/person/organisation:			
Contact Details:			
Category: whether market intermediary/participant (mention type or category) or public (investor, academician etc.)			
Sr. No.	Proposal	Comments/Suggestions	Rationale
	Page No. Para No.		

4.2. Comments may be forwarded by email to consultationMIRSD@sebi.gov.in latest by September 12, 2023. While sending the email, kindly mention the subject as "Comments on Consultation Paper on Recognition of Body Corporate for Administration and Supervision of Research Analysts".

Deputy General Manager
Division of Policy II
Market Intermediaries Regulations and Supervision Department
Securities and Exchange Board of India
SEBI Bhavan II, Plot No. C-7, "G" Block, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051

Issued on: August 22, 2023