

CIRCULAR

CIR/HO/MIRSD/MIRSD2/CIR/P/2018/09

January 11, 2018

To

All recognized Stock Exchanges

Dear Sir/ Madam,

Sub: Prevention of Unauthorised Trading by Stock Brokers

1. SEBI vide circular No. CIR/HO/MIRSD/MIRSD2/CIR/P/2017/108 dated September 26, 2017 had prescribed guidelines for prevention of unauthorised trading by stock brokers and issued subsequent clarification vide CIR/HO/MIRSD/MIRSD2/CIR/P/2017/124 dated November 30, 2017.
2. SEBI has now received representations from BSE Brokers Forum and Association of National Exchanges Members of India, expressing difficulties faced by stock brokers in the implementation of the aforesaid circulars and seeking extension for the implementation of the same.
3. In view of the above, it has been decided to make the aforesaid circulars effective from April 01, 2018. Other provisions shall remain unchanged and no further extension shall be granted for the implementation of the said circulars.
4. The Stock Exchanges are directed to:
 - a. bring the provisions of this circular to the notice of the Stock Brokers and also disseminate the same on their websites
 - b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above directions in co-ordination with one another to achieve uniformity in approach
 - c. communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports.

5. This circular is issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully,

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Deputy General Manager
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