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SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 5th July, 2011

SECURITIES AND EXCHANGE BOARD OF INDIA

(DEPOSITORIES AND PARTICIPANTS) (AMENDMENT)

REGULATIONS, 2011

No. LAD-NRO/GN/2011-12/14/21219 - 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 amend the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, namely:-

1. These Regulations may be called the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2011.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In regulation 16, -
 - i. in the marginal note, after the words “certificate of” and before the word “registration” the word “initial” shall be inserted;
 - ii. in sub-regulation (1), after the words “certificate of” and before the word “registration” the word “initial” shall be inserted.
4. In regulation 18, -
 - i. in sub-regulation (1), after the words “certificate of” and before the word “registration” the word “initial” shall be inserted;

- ii. in sub-regulation (2), after the words “certificate of” and before the word “registration” the word “initial” shall be inserted;

5. In regulation 19, -

- i. in the marginal note, after the words “certificate of” and before the word “registration” the word “initial” shall be inserted;
- ii. in the opening sentence, after the words “certificate of” and before the word “registration” the word “initial” shall be inserted;
- iii. in clause (d), after the words “certificate of” and before the word “registration” the word “initial” shall be inserted.

6. In regulation 20, -

- i. in the marginal note, after the words “certificate of” the word “initial” shall be inserted;
- ii. in sub-regulation (1), after the words “certificate of” and before the word “registration” the word “initial” shall be inserted;
- iii. in sub-regulation (2), after the words “certificate of” and before the word “registration” the word “initial” shall be inserted;
- iv. after sub-regulation (2), the following sub-regulation shall be inserted, namely: -

“(3) The certificate of initial registration granted under sub-regulation (1) shall be valid for a period of five years from the date of its issue to the applicant.”

7. Regulation 20A shall be substituted with the following regulations, namely: -

“20A. Grant of certificate of permanent registration.

- (1) A participant who has been granted a certificate of initial registration may, three months before the expiry of the period of certificate of initial registration, make an application for grant of a certificate of permanent registration in Form E, through the depository in which it is a participant.
- (2) The participant who has already been granted a certificate of registration or has obtained renewal of certificate of registration, prior to the commencement of the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2011, may, three months before the expiry of validity of certificate of registration or before, make an application for grant of a certificate of permanent registration in Form E, through the depository in which it is a participant.

- (3) The application under sub-regulation (1) or sub-regulation (2) shall be accompanied by the application fees as specified in Part A of the Second Schedule and be paid in the manner specified in Part B thereof.
- (4) The application for grant of a certificate of permanent registration shall be accompanied by details of the changes that have taken place in the information that was submitted to the Board while seeking initial registration or renewal, as the case may be, and a declaration stating that no changes other than those as mentioned in such details have taken place.
- (5) The application for permanent registration made under sub-regulation (1) or (2) shall be dealt with in the same manner as if it were a fresh application for grant of a certificate of initial registration.
- (6) The Board, on being satisfied that the applicant is eligible, shall grant a certificate of permanent registration in Form F and shall send an intimation to the applicant.
- (7) On the grant of a certificate of permanent registration the participant shall be liable to pay registration fee as specified in the Second Schedule of these regulations, within a period of fifteen days of receipt of intimation from the Board.
- (8) The participant shall pay annual fee as specified in the Second Schedule of these regulations.

20AA. Participants to abide by code of conduct.

The participant holding a certificate of initial or permanent registration shall, at all times, abide by the Code of Conduct as specified in Third Schedule.”

8. Regulation 21 shall be omitted.
9. Regulation 22 shall be omitted.
10. Regulation 23 shall be omitted.
11. In regulation 24, -
 - i. in marginal note, after the words “certificate of” and before the word “registration” the words “initial or permanent” shall be inserted;
 - ii. in sub-regulation (1), the words and figure “registration under regulation 16 or for its renewal under regulation 22” shall be substituted with the words and figures “initial registration under regulation 16 or of permanent registration under regulation 20A”
12. In regulation 25, -
 - i. in marginal note, the words “renew a certificate of” shall be substituted with the words “grant certificate of permanent”;

- ii. the words “registration as a participant” shall be substituted with the words “permanent registration” and the figure “24” shall be substituted with the figure “20A”.

13. In First Schedule, -

- i. in Form E, -
 - a. the word and figure “Regulation 16” shall be substituted with the words, figures and sign “Regulation 16/ Regulation 20A”.
 - b. the words and sign “Application for grant of certificate of registration as participant” shall be substituted with the words and sign “Application for Grant of Certificate of Initial/ Permanent Registration as Participant”
 - c. in instruction clause (iv), the words “registration as participant or renewal of such” shall be substituted with the words “certificate of initial or permanent”.
- ii. in Form F, -
 - a. the words and figure “regulation 20” shall be substituted with the words, sign and figures “Regulation 20/ Regulation 20A”.
 - b. the words “Certificate of Registration as participant” shall be substituted with the words and sign “Certificate of Initial/ Permanent Registration as Participant”.
 - c. paragraph III shall be substituted with the following, namely:-

“III. This certificate of registration shall be valid from to / for permanent, unless suspended or cancelled by the Board.”

14. In Second Schedule, reference to regulations shall be substituted with the words, figures and signs, “(see regulations 3, 7, 8, 16, 20, 20A)”.

15. In Third Schedule, in reference to regulation, the word and figure “20A” shall be substituted with the word and figure “20AA”.

U. K. SINHA

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Footnotes:

1. The principal regulations, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 were published in the Gazette of India, Part II on May 16, 1996 vide S.O. No. 345(E).
2. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, were subsequently amended on:
 - (a) February 7, 1997 by the SEBI (Depositories and Participants) (Amendment) Regulations, 1997 vide S.O. No. 91(E).
 - (b) September 5, 1997 by the SEBI (Depositories and Participants) (Second Amendment) Regulations, 1997 vide S.O. No. 640(E).
 - (c) January 5, 1998 by the SEBI (Depositories and Participants) (Amendment) Regulations, 1998 vide S.O. No. 18(E).
 - (d) January 21, 1998 by the SEBI (Depositories and Participants) (Second Amendment) Regulations, 1998 vide S.O. No. 76(E).
 - (e) May 20, 1999 by the SEBI (Depositories and Participants) (Amendment) Regulations, 1999 vide S.O. No. 357(E).
 - (f) July 7, 1999 by the SEBI (Depositories and Participants) (Second Amendment) Regulations, 1999 vide S.O. No. 546(E).
 - (g) September 21, 1999 by the SEBI (Depositories and Participants) (Third Amendment) Regulations, 1999 vide S.O. No. 775(E).
 - (h) December 26, 2000 by the SEBI (Depositories and Participants) (Amendment) Regulations, 2000 vide S.O. No. 1160(E).
 - (i) May 29, 2001 by the SEBI (Investment Advice by Intermediaries) (Amendment) Regulations, 2001 vide S.O. No. 476(E).
 - (j) September 27th, 2002 by the SEBI (Procedure for holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 vide S.O. No. 1045(E).
 - (k) June 16, 2003 by the SEBI (Depositories and Participants) (Amendment) Regulations, 2003 vide S.O. No. 696(E).
 - (l) September 2, 2003 by the SEBI (Depositories and Participants) (Second Amendment) Regulations, 2003 vide S.O. No. 1014(E).
 - (m) October 1, 2003 by the SEBI (Depositories and Participants) (Third Amendment) Regulations, 2003 vide S.O. No. 1156(E).
 - (n) March 10th, 2004 by the SEBI (Criteria for Fit and Proper Person) Regulations, 2004 vide S.O. No. 398(E).
 - (o) June 10th, 2004 by the SEBI (Depositories and Participants) (Amendment) Regulations, 2004 vide S.O. No. 696(E).
 - (p) October 10th, 2007 by the SEBI (Depositories and Participants) (Amendment) Regulations, 2007 vide No. 11/LC/GN/2007/4485.
 - (q) March 17th, 2008 by the SEBI (Depositories and Participants) (Amendment) Regulations, 2008 vide F. No. 11/LC/GN/2008/20494.
 - (r) May 26, 2008 by the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 vide Notification No. LAD/NRO/GN/2008/11/126538.
 - (s) August 8, 2008 by the SEBI (Depositories and Participants) (Second Amendment) Regulations, 2008 vide Notification No. LAD/NRO/GN/2008/18/134585.

(t) June 19, 2009 by the SEBI (Facilitation of Issuance of India Depository Receipts) (Amendment) Regulations, 2009 vide Notification No. LAD/NRO/GN/2009-2010/10/166936.

(u) April 13, 2011 by the Securities and Exchange Board of India (Change in Conditions of Registration of Certain Intermediaries) (Amendment) Regulations, 2011 vide Notification No. LAD/ NRO/ GN/ 2011-12/03/12650.
