

July 22, 2021

COM/JUL-21/022

Securities and Exchange Board of India  
Investment Management Department  
SEBI Bhawan, Plot No – C4 .A, "G Block"  
BandraKurla Complex, Bandra East.  
Mumbai – 400051

Kind Attn :  Biranchi Narayan Sahoo, Chief General Manager  
Ruchi Chojer, Chief General Manager

Dear Sir,

**Request for an interpretative letter under SEBI (Informal Guidance) scheme, 2003 regarding clarification on applicability of provisions of the Securities Contracts (Regulations) rules, 1957 and SEBI (Investment Advisers) (Amendment) Regulations 2020**

HDFC Securities Limited (HSL) is registered with the SEBI and Stock Exchanges as a Trading /Clearing Member (TM/CM). HSL is also registered as Point of Presence (POP) under the PFRDA (PoP) Regulations, 2018, Corporate Agents under IRDAI (Register of Corporate Agents) Regulations, 2015, AMFI Registered Mutual Fund Distributor-ARN-13549 and Depository Participant with CDSL. HSL offers various products to its customers which are available on the Exchange platform. HSL is also registered as a Research Analyst (RRA reg. no. INH000002475) and Non- Individual Registered investment adviser (RIA reg. no. INA000011538).

**Background:**

HDFC Securities is a Stock Broker / Distributor as well as an RIA registered with SEBI with appropriate segregation between these two businesses. As part of its Distribution business, HSL would tie up with third party Investment Advisors registered with SEBI to offer their advise to its customers as a part of its distribution business.

These Advisers are people with sound reputation and excellent track records.. HSL will earn distribution/referral fee from the Advisers and it will add value to its customers. Any customer

**HDFC Securities Limited**

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Corporate Identity Number (CIN)-U67120MH2000PLC152193

SEBI Registration No.: INZ000186937 (NSE, BSE, MSEI, MCX)

For any complaints / grievance: services@hdfcsec.com

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grievance on the same would be addressed by the respective Investment advisor and HSL would follow up and get the requisite response by the respective Investment advisor. In compliance with the provisions of rule 8(1)(f) and Rule 8(3)(f) of the Securities Contracts (Regulations) Rules 1857, this is a purely referral model and as a broker / Distributor HSL is only referring customers to the third party RIA for the purpose of referral fees and does not involve any personal financial liability. In case the customer transacts on HSL platform, Brokerage fees would also be received by HSL.

**Query :**

HSL is registered as a stock broker as well as RIA with proper segregation of Business. Can HSL acting as a broker / distributor, tie up with third party RIA to offer their services to its distribution clients.

**Request :**

We request for an interpretative letter on our understanding on the applicability of applicability of provisions of the Securities Contracts (Regulations) rules, 1857 and SEBI (Investment Advisers) (Amendment) Regulations 2020 in accordance with SEBI Informal Guidance Scheme, 2003.

Demand draft of Rs 25000/- in favour of Securities and Exchange Board of India payable at Mumbai is enclosed towards fees for informal guidance and request for your opinion.

We would appreciate an early response in the above matter.

Thanking you

For **HDFC Securities Limited**

  
**Authorised Signatory**

