

SEBI Settlement Scheme, 2022

1. In exercise of powers conferred upon it under Section 15JB of the SEBI Act, 1992 read with Regulation 26 of SEBI (Settlement Proceedings) Regulations, 2018, SEBI has come out with Settlement Scheme, 2020 (**‘the Scheme, 2020’**) to settle the enforcement proceedings approved/initiated and pending in respect of the Illiquid Stock Option matters. The said settlement scheme was formulated by giving certain weightage to identified parameters, viz. number of contracts reversed, number of non-genuine trades and artificial volume generated, to arrive at slab-wise Settlement Amounts, in respect of entities alleged to have been involved in generation of artificial volume by executing non-genuine/ reversal trades in the stock option segment of BSE during the period from April 01, 2014 to September 30, 2015.
2. The Scheme, 2020 was initially kept open for a period of three months with effect from August 01, 2020 to October 31, 2020. In view of the COVID-19 pandemic and the imposition of lockdown resulting in logistical delays / disruptions in normal life, this period was further extended up to December 31, 2020.
3. Hon’ble SAT vide order dated May 13, 2022, stressed on the need for a fresh settlement scheme that should be attractive so that it could attract the noticees / entities to come forward and settle the matter which will ameliorate the harassment of penalty proceedings to the noticees.
4. Accordingly, SEBI has decided to introduce a new Settlement Scheme (**‘the Scheme, 2022’**) in terms of Section 15JB of the SEBI Act, 1992 read with Regulation 26 of SEBI (Settlement Proceedings) Regulations, 2018. This Scheme, 2022 provides a onetime settlement opportunity to all the entities that have executed reversal trades in the stock option segment of BSE during the period April 01, 2014 to September 30, 2015, against whom enforcement proceedings have been approved or initiated and are pending. By availing the benefit of the scheme, the entities may settle such proceedings and avoid further delay in the conclusion of the said proceedings and the associated long drawn legal processes/expenses, etc.
5. The terms and conditions with respect to the Scheme, 2022 are available on SEBI website and also on the BSE website.

Scheme details:

6. **Eligibility:** Under the Scheme, 2022, all the entities who had executed non-genuine trades/trade reversals on the stock option segment of BSE during the period April 01, 2014 to September 30, 2015 and against whom enforcement proceedings have been approved or initiated and are pending before any authority/forum, viz. Adjudicating Officer/Hon’ble SAT/Hon’ble Courts/Recovery Officer etc. shall be eligible to avail the one time settlement opportunity.
7. **Validity of the Scheme:** Onetime settlement period shall commence on August 22, 2022 and end on November 21, 2022 (both days inclusive) or such other date as approved by the competent authority.

Settlement Amount payable:

SI No	Number of Contracts	Settlement Amount (Rs.)
1	1-5	1,00,000
2	6-50	2,00,000
3	51 and above	5,00,000 base amount + 10,000 per contract For E.g. for 51 contracts, the SA would be Rs. 5,00,000 + 51* 10,000

Filing of Settlement Application:

An entity desirous of making an application for availing settlement under the Scheme, 2022 shall be advised to submit a Settlement application along with an application fee of Rs. 15,000/- in case of individuals and Rs. 25,000/- in case of body corporates in the specified format, which shall be made available on the SEBI website and also on the BSE website.

Mode of Payment: Remittance of the settlement amount shall be done through a dedicated payment gateway. Details of the same shall be made available on the SEBI website and the BSE website.

Upon conclusion of the Scheme, 2022, action as per the relevant provisions of securities laws shall be continued against the entities who do not avail this opportunity for settlement.

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