

FAQ-MERCHANT BANKERS
SECURITIES AND EXCHANGE BOARD OF INDIA
SEBI INVESTOR EDUCATION PROGRAMME
(MERCHANT BANKERS)

1. What is the procedure of obtaining registration as a Merchant Banker from SEBI?

For registration as a Merchant Banker, an applicant is required to pay a non-refundable application fee of Rs.50,000/- by way of demand draft drawn in favour of 'Securities and Exchange Board of India', payable at Mumbai.

The application in Form A along with Additional Information Sheet (available under '[Application for registration / renewal of intermediaries > Merchant Banker- How to apply](#)' on SEBI Website: www.sebi.gov.in) need to be submitted to the below mentioned address:

**Market Intermediaries Regulations and Supervision Department-
Division 5**

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C4-A,
'G' Block, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051.

2. What are the fees to be paid by the Merchant Banker?

A Merchant Banker is required to pay fees as mentioned in following table

Sr. No.	Fees	Amount
1	Application fee (Initial and permanent registration)	Rs. 50,000/-
2	Initial Registration	Rs. 20,00,000/-
3	Permanent Registration	Rs. 9,00,000/-

Brief details of fees is given below.

3. What is the capital adequacy requirement of a Merchant Banker?

A Merchant Banker is required to have a minimum networth of not less than Rs. Five Crore.

4. Is there any registration fee to be paid by the Merchant Banker?

Yes. Every Merchant Banker is required to pay Rs. Twenty Lakh as registration fees (as per **SEBI (Payment of Fees) (Amendment) Regulations, 2014**) at the time of grant of Certificate of Initial Registration by SEBI.

5. How long does the Certificate of Initial Registration remain valid?

The Certificate of Initial Registration remains valid for five years. The Merchant Banker has to apply for grant of Certificate of Permanent Registration to SEBI, three months before the expiry of the validity of the Certificate of Initial Registration, if it wishes to continue as a registered Merchant Banker.

6. How much is the Permanent Registration fee to be paid by the Merchant Banker?

The Merchant Banker is required to pay fee of Rs. Nine Lakh (as per **SEBI (Payment of Fees) (Amendment) Regulations, 2014**) for the first block of three years towards permanent registration, payable in terms of Schedule II of the SEBI (Merchant Bankers) Regulations, 1992. In order to keep Certificate of Permanent Registration in force, a Merchant Banker has to pay the fees as per Schedule II of the SEBI (Merchant Bankers) Regulations, 1992 every three years, 3 months before expiry of the previous fee block.

7. How long does the Certificate of Permanent Registration remain valid?

The Certificate of Permanent Registration shall be permanent unless suspended or cancelled by the Board. But again, in order to keep Certificate of Permanent Registration in force, a Merchant Banker has to pay the fees as per Schedule II of the SEBI (Merchant Bankers) Regulations, 1992 every three years, 3 months before expiry of the previous fee block.

8. Is a Merchant Banker required to take SEBI's prior approval for change in control?

Yes. As per regulation 9A registrations granted under regulation 8 & regulation 8A of SEBI (Merchant Bankers) Regulations, 1992 shall be subject to the condition that where the merchant banker proposes change in control, it shall obtain prior approval of SEBI for continuing to act as such after the change.

9. The prior approval granted by SEBI is valid for how many days?

As per SEBI circular CIR/MIRSD/14/2011 dated August 02, 2011, the prior approval granted by SEBI shall be valid for a period of 180 days from the date of communication.

10. Is a Merchant Banker required to obtain fresh registration after change in control?

Yes. As per regulation 9A of SEBI (Merchant Bankers) Regulations, 1992, change in control shall affect the obligation to obtain a fresh registration under section 12 of the SEBI Act, 1992. Further, a Merchant Banker is required to obtain fresh certificate of registration within a period of six months.

11. Is a Merchant Banker required to submit a periodic report to SEBI?

Yes. As per SEBI circular CIR/MIRSD/6/2012 dated May 14, 2012, the Compliance Officer of the Merchant Banker shall send the report in the revised format to SEBI at mb@sebi.gov.in on a half yearly basis.