

PRIOR APPROVAL FOR CHANGE IN CONTROL - FAQs

1. I am an MIRSD Intermediary (Direct). I am undergoing a change of shareholding. Do I need to take prior approval from SEBI?

An MIRSD Intermediary (Direct) needs to first determine if the change in shareholding is resulting into change in control. If there is no change in control, then the intermediary needs to give an intimation post change of shareholding by way of making an application for update details in the SI Portal. In the event of any new shareholder is being brought in, who either by himself or together with any other shareholder is considered to be “in control”, then a report in the prescribed format has to be filed establishing how such shareholder fulfils the “fit and proper person” criteria as prescribed under the SEBI (Intermediaries) Regulations, 2008 (refer to the Update Details - FAQs). However, in case of change in shareholding resulting into change in control, prior approval of SEBI is mandatory.

2. How can I determine if the change of shareholding is resulting in change in control?

Change in control is defined in Clause 2(ad) of the SEBI (Merchant Bankers) Regulations, 1992, Clause 2(bc) of the SEBI (Registrar to an Issue and Share Transfer Agent) Regulations, 1993, Clause 2(eii) of the SEBI (Credit Rating Agencies) Regulations, 1999, Clause 2(ae) of the SEBI (Debenture Trustee) Regulations, 1993, Clause 2(ad) of the SEBI (Underwriters) Regulations, 1993 and Clause 2(ae) of the SEBI (Bankers to an Issue) Regulations, 1994 respectively.

Kindly note that as per the Regulations, change in control at the level of intermediary itself (direct control) and at the level of the holding company (indirect control) and also at any level above the holding company shall require Prior Approval.

3. I have determined that the change of shareholding is resulting in change in control. How do I make an application for Prior Approval?

Login to the SI Portal. In the post registration activities, select the option of Prior Approval for Change in Control and fill in the required information as asked.

Prior Approval-Change in Control

Registration No: [REDACTED]	Role: Merchant Bankers	Application No.: [REDACTED]
Registration Start Date: 1 [REDACTED]		Registration End Date: 1 [REDACTED]

Change in Control(Prior Approval) / निरंकन में परिवर्तन के लिए मंजूरी

Details of Change in Control *
निरंकन में परिवर्तन के बारे में
[REDACTED]

You have entered 0 of 2000 characters.

Attachments / संलग्नक

Details of Share Holding Pattern Before and After Change in Control *
निरंकन में परिवर्तन से पूर्व तथा उसके पश्चात् शेयरधारिता स्वरूप (शेयरहोल्डिंग पैटर्न) के बारे में
[REDACTED] Browse

Board Resolution *
बोर्ड का संकल्प
[REDACTED] Browse

4. What are the documents required to be submitted for the same?

The following documents need to be submitted along with the application

- Details of existing and proposed shareholding
- Certified copy of the Board Resolution passed in the meeting of the Board of the Directors of the Company resolving the change of shareholding.
- NOC of the sectoral/primary regulator of the applicant (Ex. RBI for Bank)
- Undertakings as mentioned at Annexure 1
https://www.sebi.gov.in/sebi_data/commndocs/nov-2020/Prior_Approval_Annexure_1_p.pdf
- Undertakings as mentioned at Annexure 2
https://www.sebi.gov.in/sebi_data/commndocs/nov-2020/Prior_Approval_Annexure_2_p.pdf
- Information specified in Circular No. CIR/MIRSD/14/2011 dated August 02, 2011
https://www.sebi.gov.in/sebi_data/commndocs/nov-2020/Prior_Approval_Circular_August_2_2011_p.pdf

5. For how long is the SEBI Prior Approval valid?

Once the application is approved, you will receive a letter of Prior Approval from MIRSD. The SEBI Prior Approval is valid for a period of 6 months within which the intermediary needs to apply for fresh registration pursuant to change in control. While applying for fresh registration post change in control, SI Portal shall ask NOC number for change in control which will be as per SEBI Prior approval letter number. If the number of the SEBI Prior approval letter is MIRSD/DOR/RS/12345/2018, the NOC number will be 123452018.

6. I might need more time than 6 months to apply for fresh registration. What should I do?

Kindly inform MIRSD before the expiry of 6 months and make an application vide email or letter for extension of Prior Approval with reason / justification for delay. The extension of Prior Approval shall be provided only once. However, SEBI discourages such practices. It is also clarified that extension of prior approval validity shall be granted only for the purpose of fresh registration

where change in control has already been executed within 6 months of prior approval. If change in control could not be executed within 6 months, then intermediary has to file fresh application of prior approval for change in control.

7. Can I apply for fresh registration using the same login post receiving SEBI approval for change in control?

No, applicants making fresh registration pursuant to obtaining the prior approval for change in shareholding leading to change in control need to start from Self-Registration and pay the application fees. Post that, a new login shall be issued through which fresh registration application needs to be made.

8. If I am making a new application, will I be necessarily given a new registration number? I want to retain the same registration number as before.

No, it is not necessary that pursuant to fresh registration, you will be allotted a new registration number. You have the option to retain the existing number. For retaining the same registration number, you will have to inform SEBI of the same.

9. Is it necessary to link applications of prior approval and fresh registration pursuant to obtaining the prior approval linked?

Yes, it is necessary to link the two applications

10. How are the applications of prior approval and fresh registration pursuant to obtaining the prior approval linked?

When you make an application for fresh registration, you will be prompted with a question in the application whether the application is pursuant to obtaining the prior approval for change in control. You have to select the radio button 'yes'. You will be prompted to key in the NOC number in the online application. Your NOC number is the number as mentioned in the SEBI Prior Approval letter (Please refer clause 5 of this FAQ).

By this way, the applications for grant of prior approval and fresh registration pursuant to obtaining the prior approval for change in control in shareholding shall get linked.