



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

CIRCULAR

CIR/MIRSD/14/2011

August 02, 2011

To

**All Recognized Stock Exchanges  
All Registered Depositories  
All Registered Merchant Bankers  
All Registered Debenture Trustees  
All Registered Underwriters  
All Registered Bankers to an Issue  
All Registered Credit Rating Agencies  
All Registered Registrar to an Issue and Share Transfer Agents**

Dear Sir/Madam,

**Sub: Revised procedure for seeking prior approval for change in control through single window**

- 1) SEBI vide circular No.MIRSD/MSS/Cir-30/13289/03 dated July 09, 2003 addressed to all the Stock exchanges specified, inter alia, the procedure for seeking prior approval from SEBI by stock brokers for change in status and constitution.
- 2) SEBI has recently amended the regulations for certain intermediaries, viz., Stock Brokers and Sub-brokers, Merchant Bankers, Debenture Trustees, Registrar to an Issue and Share Transfer Agents, Underwriters, Depository Participants, Bankers to an Issue and Credit Rating Agencies, vide Notification No. LAD-NRO/GN/2011-12/03/12650 dated April 19, 2011. This has already been communicated to you and a copy of the notification is also available on SEBI website [www.sebi.gov.in](http://www.sebi.gov.in). As per the amendments, the requirement of obtaining prior approval for change in status or constitution has been dispensed with. However, in case of change in control of the above intermediaries except for Sub-brokers, prior approval of SEBI is required.
- 3) With a view to expedite the process of granting prior approval, it has been decided to adopt a 'single window clearance at SEBI', for the above intermediaries in case of their having multiple registrations with SEBI. Accordingly, in consultation with the major stock exchanges and market participants, it has been decided to adopt the following procedure;

- (i) In case an applicant holds multiple registrations with SEBI, it shall make only one application to SEBI accompanied by the following information about itself, the acquirer and the directors/partners of the acquirer;
- Whether any application was made in the past to SEBI seeking registration in any capacity but it was not granted? If yes, details thereof.
  - Whether any action has been initiated / taken under SCRA/SEBI Act or rules and regulations made thereunder? If yes, status thereof along with corrective action taken to avoid such violations in the future. The acquirer shall also confirm that it shall honour all past liabilities / obligations of the applicant, if any.
  - Whether any investor complaint is pending? If yes, steps taken and confirmation that the acquirer shall resolve the same.
  - Details of litigation, if any.
  - That all the fees due to SEBI have been paid.
  - That there will not be any change in the Board of Directors of incumbent, till the time prior approval is granted.
  - That the incumbent shall inform all its existing investors / clients in order to enable them to take informed decision regarding their continuance or otherwise with the entity with new management.
- (ii) Further, in case the incumbent is a registered stock broker and / or depository participant, in addition to the above, it shall obtain approval / NOC from all the Stock Exchanges / Depositories, where the incumbent is a member / Depository Participant and forward a self attested copy of the same to SEBI.
- (iii) The application shall be addressed to "Chief General Manager, MIRSD, SEBI".
- (iv) The prior approval granted by SEBI shall be valid for a period of 180 days from the date of communication.
- 4) While the above mentioned intermediaries are advised to ensure compliance with the provisions of this circular, the stock exchanges and depositories are advised to:
- (i) bring the provisions of this circular to the notice of the Stock Brokers/ Depository Participants and also disseminate the same on their websites.
  - (ii) make amendments to the relevant bye-laws, rules and regulations as deemed necessary for the implementation of the above decision in co-ordination with one another to achieve uniformity in approach.

- (iii) communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports.
- 5) This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
- 6) This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework" and "Circulars".

Yours faithfully,

**V.S.Sundaresan**  
**Chief General Manager**  
**022-26449200**  
[sundaresanvs@sebi.gov.in](mailto:sundaresanvs@sebi.gov.in)