

Regulatory Alert: MIIs/IAs/RAs/PAs/RTAs/MFs/RTAs/DDPs/DPs/SSE October 2024 – Vol – I

1. Reduction in the timeline for listing of debt securities and Non-convertible Redeemable Preference Shares to T+3 working days from existing T + 6 working days

In order to facilitate faster access to funds for issuers and investors, SEBI has reduced the listing timeline in case of public issue of debt securities and NCRPS to T+3 working days from existing timeline of T+6 working days. For more details, [click here](#).

2. Timelines for disclosures by Social Enterprises on Social Stock Exchange (“SSE”) for FY 2023-24.

SEBI has extended the outer timeline for annual disclosures by Social Enterprises on Social Stock Exchange, for FY 2023-24 upto January 31, 2025. For more details, [Click here](#).

3. Extension of timeline for implementation of a SEBI Circular: SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated June 05, 2024

To ensure the smooth implementation of securities pay-outs directly to clients' demat accounts, without disrupting market participants and investors, SEBI has extended the implementation date of circular ‘SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated June 05, 2024’ to November 11, 2024. For more details, [Click here](#).

4. Specific due diligence of investors and investments of AIFs

SEBI has specified regulatory frameworks requiring AIFs, their managers, and key management personnel to exercise specific due diligence concerning the AIF's investors and investments, to prevent regulatory circumvention. For more details [click here](#).

5. Change in timing for securities payout in the Activity schedule for T+1 Rolling Settlement.

SEBI has revised the timing of the payout of securities in the equity cash segment (including netted cash and F&O Physical Settlement) from 1:30 PM to 3:30 PM. As a result of Direct Payout, the securities will be credited to the clients' demat account on the same settlement day instead of one working day from the receipt of pay-out from the Clearing Corporation.

For more details, [Click here](#).

6. Monitoring Shareholding of Market Infrastructure Institutions (MIIs)

SEBI has provided a framework for monitoring and ensuring compliance with shareholding norms for all MIIs (i.e. both listed and unlisted). All MIIs shall disclose their shareholding pattern as per the requirements and formats specified for listed companies

under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on their respective websites. For more details, [click here](#).

7. Introduction of Liquidity Window facility for investors in debt securities through Stock Exchange mechanism

As per Regulation 15 of the SEBI NCS Regulations 2021, issuers may offer a redemption (put option) on debt securities before maturity to all or only retail investors. SEBI has therefore introduced a Liquidity Window framework allowing these put options to be exercised on specified dates or intervals as outlined in the framework. For more details, [click here](#).

8. Clarification with regard to usage of 3 – in – 1 type accounts for making an application in public issue of securities

SEBI has clarified that besides existing application methods for public issues, investors can continue to submit bid-cum application forms online through linked 3-in-1 accounts. For more details, [click here](#).

9. Inclusion of Mutual Fund units in the SEBI (Prohibition of Insider Trading) Regulations, 2015

In order to strengthen the regulatory framework concerning the prohibition of insider trading in units of mutual funds, a notification dated November 24, 2022 included mutual fund units under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This will come into effect from November 1, 2024. For more details, [click here](#).

10. Association of persons regulated by the Board and their agents with certain persons

As specified in the SEBI (Intermediaries) (Amendment) Regulations, 2024, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Fourth Amendment) Regulations, 2024 and SEBI (Depositories and Participants) (Second Amendment) Regulations, persons regulated by SEBI (including recognised stock exchanges, clearing corporations and depositories) and agents of persons to not have association with another person who: (a) provides advice or any recommendation, directly or indirectly, in respect of or related to a security or securities, unless the person is registered with or otherwise permitted by the SEBI to provide such advice or recommendation; or (b) makes any claim, of returns or performance expressly or impliedly, in respect of or related to a security or securities, unless the person has been permitted by the SEBI to make such a claim. For more details, [click here](#).

11. Modification in Annexure to Common Application Form (CAF)

SEBI has partially modified the 'Annexure to Common Application Form' attached as Annexure B to the FPI Master Circular dated May 30, 2024 to provide the flexibility to existing and new FPIs. For more details, [click here](#).

12. Clarification with respect to advertisement code for Research Analysts (RAs)

SEBI has clarified that Research Report and research recommendations of an RA are not considered advertisement unless anything contained in the research report is in the nature of promotion of products or services offered by an RA. Accordingly, the paragraph 8.1 a. ii. of the Master Circular dated May 21, 2024 has been modified. For more details, [click here](#).

13. Periodic Reporting format for Research Analysts (RAs) and Proxy Advisers (PAs)

SEBI has issued directives pertaining to the periodic reporting formats for RAs and PAs. It has been specified that RAs shall submit their periodic report to Research Analyst Administration and Supervisory Body (RAASB) and PAs shall submit their periodic reports to SEBI within 30 days from the last date of the reporting period. For more details, [click here](#).

14. Annual Compliance Certificate for Client Level Segregation by Non-individual Investment Advisers and timeline for submission of periodic reports

Pertaining to the Annual Compliance Certificate for Client Level Segregation by non-individual Investment Advisers, SEBI has partially modified Master Circular for Investment Advisers dated May 21, 2024 stating that 'the IAs shall maintain on record an annual certificate from an auditor confirming compliance with the client level segregation requirements as specified in Regulation 22 of the IA Regulations. Such annual certificate shall be obtained within 6 months of the end of the financial year and form part of compliance audit, in terms of Regulation 19(3) of the IA Regulations'. Further, the timeline for submission of periodic reports has also been revised. For more details, [click here](#).

The above Regulatory alerts may be relevant for the individuals with the following NISM Certifications:

- NISM-Series-II-A: Registrar and Transfer Agent (Corporate) Certification Examination
- NISM-Series-II-B: Registrars to an Issue and Share Transfer Agents – Mutual Fund Certification Examination
- NISM-Series-III-A: Securities Intermediaries Compliance (Non-Fund) Certification Examination
- NISM-Series-V-A: Mutual Fund Distributors Certification Examination
- NISM-Series-V-B: Mutual Fund Foundation Certification Examination

- NISM-Series-VI: Depository Operations Certification Examination
- NISM-Series-VII: Securities Operations and Risk Management Certification Examination
- NISM-Series-VIII: Equity Derivatives Certification Examination
- NISM Series-IX: Merchant Banking Certification Examination
- NISM-Series X-A: Investment Advisers (Level 1)
- NISM-Series-X-B: Investment Advisers (Level 2)
- NISM-Series-XV: Research Analyst Certification Examination
- NISM Series XIX-A: Alternative Investment Funds (Category I and II) Distributors
- NISM Series XIX-B: Alternative Investment Funds (Category III) Distributors
- NISM Series XIX-C: Alternative Investment Fund Managers
- NISM-Series-XXI-A: Portfolio Management Services (PMS) Distributors Certification Examination
- NISM-Series-XXI-B: Portfolio Managers Certification Examination
- NISM-Series-XXIII: Social Auditors Certification Examination