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SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 8th September, 2015
SECURITIES AND EXCHANGE BOARD OF INDIA
(STOCK BROKERS AND SUB-BROKERS)
(AMENDMENT) REGULATIONS, 2015

No. SEBI/LAD-NRO/GN/2015-16/017 – In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992, namely,–

1. These regulations may be called the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 2015.
2. They shall come into force on the 28th day of September, 2015.
3. In the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992,–

(I) in regulation 2, in sub-regulation (1), -

(i) for clause (ae) the following shall be substituted, namely:-

"(ae) "clearing member" means a person having clearing and settlement rights in any recognised clearing corporation and shall include any person having clearing and settlement rights on a commodity derivatives exchange:

Provided that such a clearing member in commodity derivatives exchange shall be required to become a member of a recognised clearing corporation from such date as may be specified by the Board." ;

(ii) for clause (fa) the following shall be substituted, namely: -

"(fa) "self-clearing member" means a member of a clearing corporation who is also a stock broker and clears and settles trades on its own account or on account of its clients only and includes any person having clearing and settlement rights on a commodity derivatives exchange:

Provided that such person who clears and settles trades in commodity derivatives, shall be required to become a member of a recognised clearing corporation, from such date as may be specified by the Board."

(II) in Chapter II-A, after Regulation 10D, the following regulations shall be inserted, namely: –

"Clearing Corporation for commodity derivatives.

10E. For the purpose of this Chapter and in respect of clearing and settlement of trades in commodity derivatives, the word "clearing corporation" wherever appearing, shall refer to a commodity derivatives exchange till such time a separate clearing corporation is established to undertake the activity of clearing and settlement of trades in commodity derivatives.

Application of Chapters IV, V & VI

10F. The provisions of Chapters IV, V and VI of these regulations shall *mutatis mutandis* apply to a clearing member and self-clearing member."

(III) in Chapter IV, after regulation 18B and before regulation 19, the following regulation shall be inserted, namely:-

"Restriction on activities.

18C. (1) A stock broker carrying on the activity of buying, selling or dealing in securities, other than commodity derivatives, shall not undertake the activity of buying, selling or dealing in commodity derivatives, unless permitted by the Board.

(2) A stock broker carrying on the activity of buying, selling or dealing in commodity derivatives, shall not undertake the activity of buying, selling or dealing in securities other than commodity derivatives, unless permitted by the Board."

(IV) in Schedule V, in Part A, after clause 1 and before clause 2, the following clause shall be inserted, namely: –

"1A. This Schedule shall apply to every stock broker who deals in commodity derivatives and every clearing member/ self-clearing member who clears and settles trades in commodity derivatives, from the date of grant of registration:

Provided that for a person dealing in commodity derivatives as a commodity derivatives broker, clearing and settling trades as a commodity derivatives clearing member or self-clearing member, immediately before the transfer and vesting of rights and assets of the Forward Markets Commission with the Securities and Exchange Board of India, this

Schedule shall apply, upon grant of registration by the Board, the computation of fee being with effect from the date of notification of transfer and vesting of rights and assets of the Forward Markets Commission with the Securities and Exchange Board of India."

(V) in Schedule V, in Part B, in clause 3, in sub-clause (1), -

(i) before the existing table, the following heading shall be inserted, namely-

"TABLE 1

FEES FOR MEMBERS DEALING IN SECURITIES, OTHER THAN COMMODITY DERIVATIVES ";

(ii) after the existing table, the following shall be inserted, namely: –

"TABLE 2

FEES FOR MEMBERS DEALING IN COMMODITY DERIVATIVES"

Rate/ Amount (in ₹)			Remarks
Stock Broker	Clearing member	Self-clearing member	
0.0002 per cent of his turnover (₹ 20 per crore)	50,000/-	50,000/-	Explanation— The expression 'turnover' shall include the value of the trades executed by the stock broker on the concerned recognized stock exchange and of the trades settled on the expiration of the contracts.

(VI) in Schedule V, in Part B, for clause 4A the following shall be substituted, namely:-

4A. The non-refundable fee payable along with an application for registration under sub- regulation (4) of regulation 3 or sub-regulation (4) of regulation 10A shall be a sum of fifty thousand rupees:

Provided that the non-refundable fee payable along with an application for registration, by a person dealing, clearing and settling trades, on a national commodity derivatives exchange or regional commodity derivatives exchange, immediately before the transfer and vesting of rights and assets of the Forward Markets Commission with the Securities and Exchange Board of India, shall be a sum of twenty-five thousand rupees or five thousand rupees, respectively.

(VII) in Schedule V, in Part C, in clause 5, -

(i) after sub-clause (2) and before sub-clause (3), the following clause shall be inserted, namely: –

"(2a) Every commodity derivatives exchange shall collect from every stock broker/clearing member/self-clearing member, dealing/clearing and settling trades in commodity derivatives, the fee payable under sub-clause (1) of clause 3 in accordance with the provisions of its bye-laws." ;

(ii) in sub-clause (3), for the words, symbols and numbers "sub-clause(1) or (2)", the words, symbols and numbers "sub-clauses (1), (2) or (2a)" shall be substituted;

(VIII) in Schedule VI, -

(i) for clause 3, the following shall be substituted, namely:-

"3. The quantum of networth and deposit to be maintained by-

(a) the stock broker/ clearing member, dealing /clearing and settling trades in securities, other than commodity derivatives, shall be as specified in Table 1 of this Schedule;

(b) the stock broker/ clearing member, dealing/ clearing and settling trades in commodity derivatives, shall be as specified in Table 2 of this Schedule:

Provided that a person dealing in commodity derivatives as a commodity derivatives broker, clearing and settling trades as a commodity derivatives clearing member or self-clearing member, immediately before the transfer and vesting of rights and assets of the Forward Markets Commission with the Securities and Exchange Board of India, shall maintain the networth and deposit as specified by the commodity derivatives exchange, of which it holds membership: Provided further that within a period of one year from the date of transfer and vesting of rights and assets of the Forward Markets Commission with the Securities and Exchange Board of India, such persons shall satisfy the networth and deposit as specified in Table 2 of this Schedule." ;

(ii) before the existing table, for the heading, the following shall be substituted, namely:-

"TABLE 1
NETWORTH AND DEPOSIT FOR MEMBERS DEALING IN SECURITIES,
OTHER THAN COMMODITY DERIVATIVES" ;

(iii) after TABLE 1 and before the Explanation, the following table shall be inserted, namely:-

"

TABLE 2
NETWORTH AND DEPOSIT FOR MEMBERS DEALING IN COMMODITY
DERIVATIVES

Type of member	Networth (Amount in Rs.)		Deposit (Amount in Rs.)	
	For the members of		For the members of	
	National Commodity Derivatives Exchanges	Regional Commodity Derivatives Exchanges	National Commodity Derivatives Exchanges	Regional Commodity Derivatives Exchanges
Stock broker/ Trading member	Nil	Nil	Nil	Nil
Self-clearing member	1 crore	*	50 lakhs	*
Clearing member	3 crore	*	50 lakhs	*

* As may be specified by the Board from time to time

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U.K. SINHA
CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Footnote:

1. Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992, the Principal Regulations, was published in the Gazette of India on October 23, 1992 vide S.O. No. 780 (E).

2. The Principal Regulations were subsequently amended on:

- (a) November 28, 1995 by the SEBI (Payment of Fees) (Amendment) Regulations, 1995 vide S.O. No. 939 (E).
- (b) January 5, 1998 by SEBI (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 1998 vide S.O. No. 13 (E).
- (c) January 21, 1998 by SEBI (Stock Brokers and Sub-Brokers) (Second Amendment) Regulations, 1998 vide S.O. No. 75 (E).
- (d) December 16, 1998 by SEBI (Stock Brokers and Sub-Brokers) (Third Amendment) Regulations, 1998 vide S.O. No. 1078 (E).
- (e) July 6, 1999 by SEBI (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 1999 vide S.O. No. 541 (E).
- (f) March 14, 2000 by SEBI (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 2000 vide S.O. No. 234 (E).
- (g) March 28, 2000 by SEBI (Appeal to Securities Appellate Tribunal) (Amendment) Regulations, 2000 vide S.O. No. 278 (E).
- (h) August 30, 2000 by SEBI (Stock Brokers and Sub-Brokers) (Second Amendment) Regulations, 2000 vide S.O. No. 787 (E).
- (i) May 29, 2001 by SEBI (Investment Advice by Intermediaries) (Amendment) Regulations, 2001 vide S.O. No. 476(E).
- (j) November 15, 2001 by SEBI (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 2001 vide S.O. No. 1128 (E).
- (k) February 20, 2002 by SEBI (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 2002 vide S.O. No. 220 (E).
- (l) September 27, 2002 by SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 vide S.O. No. 1045 (E).
- (m) September 23, 2003 by the SEBI (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 2003 vide S.O. No. 1095 (E).
- (n) November 20, 2003 by the SEBI (Stock Brokers and Sub-Brokers) (Second Amendment) Regulations, 2003 vide F. No. SEBI /LAD /20795 /2003.
- (o) March 10, 2004 by the Securities and Exchange Board of India (Criteria for Fit and Proper Person) Regulations, 2004 vide S.O. No. 398(E).
- (p) August 1, 2006 by the SEBI (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 2006 vide S.O. No. 1235 (E).
- (q) September 7, 2006 by the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Second Amendment) Regulations, 2006 vide S.O. No. 1447 (E).
- (r) September 25, 2006 by the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Third Amendment) Regulations, 2006 vide S.O. No. 1600(E).
- (s) May 26, 2008 by the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 vide Notification No. LAD-NRO/GN/2008/11/126538.

- (t) August 11, 2008 by the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) (Amendment) Regulations, 2008 vide Notification No. LADNRO/GN/2008/20/134766.
- (u) June 29, 2009 by the Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2009 vide Notification No. LADNRO/ GN/2009- 10/11/167759.
- (v) November 19, 2009 by the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 2009 vide Notification No. LADNRO/GN/2009-10/21/183853.
- (w) April 13, 2010 by the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) (Amendment) Regulations, 2010 vide Notification No. LADNRO/GN/2010-11/06/1097.
- (x) April 6, 2011 by the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 2011 vide Notification No. F. No. LAD – NRO/ GN/ 2011 – 12/01/11486.
- (y) April 19, 2011 by the Securities and Exchange Board of India (Change in Conditions of Registration of Certain Intermediaries) (Amendment) Regulations, 2011 vide Notification No. LAD/NRO/GN/2011-12/03/12650.
- (z) August 17, 2011 by the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Second Amendment) Regulations, 2011 vide Notification No. LAD-NRO/GN/2011-12/19/26273.
- (za) April 5, 2013 by the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 2013 vide Notification No. LAD-NRO/GN/2013-14/01/8129.
- (zb) September 27, 2013 by the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Second Amendment) Regulations, 2013 vide Notification No. No. LAD-NRO/GN/2013-14/25/24775.
- (zc) May 23, 2014 by the Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2014 vide Notification No. LAD-NRO/GN/2014-15/03/1089.
- (zd) October 8, 2014 by the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 2014 vide Notification No. LAD-NRO/GN/2014-15/15/1671.