



CIRCULAR

SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/31

February 15, 2019

To

All Stock Exchanges, Clearing Corporations and Depositories.

Sir/ Madam,

Subject: Advisory Committee at Market Infrastructure Institutions (MIIs)

1. SEBI, vide circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, *inter alia* provided functions, composition and quorum of the seven statutory committees at Market Infrastructure Institutions (MIIs).
2. Clause 6 of the aforesaid circular provides the overarching principles for composition and quorum of the statutory committee at MIIs, which is applicable to all committees at MIIs with an exception for Investor Grievance Redressal Committee (IGRC). This clause mainly prescribes that the number of PIDs shall not be less than the total of number of other members put together for the composition of the committees, quorum for the meeting of the committees and for validity of voting on a resolution in the meeting of the committee.
3. Based on representations received and the fact that the Advisory committee is the only committee wherein trading members, clearing members and depository participants can provide their suggestions to the concerned MIs on non-regulatory and operational matters, it has been decided that Clause 6 of the aforementioned circular shall not be applicable to the advisory committee at MIIs towards enabling wider participation of members of MIIs in the said advisory committee.
4. Accordingly, in partial modification to SEBI circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019:
 - a. Clause 6 of the aforementioned circular shall also not be applicable to Advisory Committee, along-with IGRC.
 - b. Also the below stated clause provided in composition of advisory committee, at point A(5), B(5) and C(5) of the Annexure to the circular dated January 10, 2019, shall stand deleted:
'The number of PIDs shall not be less than the total of number of shareholder directors and trading members / clearing members / depository participants [as applicable] put together'.



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

5. MIs are directed to:
 - a. take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;
 - b. bring the provisions of this circular to the notice of their members and also disseminate the same on their websites; and
 - c. communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Report.
6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 and Section 19 of the Depositories Act, 1996, to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market.
7. This circular is available on SEBI website at www.sebi.gov.in at “Legal Framework→Circulars”.

Yours faithfully

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