

CIRCULAR

SEBI/HO/MRD/TPD-1/P/CIR/2024/68

May 30, 2024

To

All Stock Exchanges

(Except Commodity Derivatives Exchanges)

Sir/Madam,

**Ease of Doing Business – Internet Based Trading for Stock Brokers**

1. To improve ease of doing business and remove obsolete compliance requirements related to activities of Market Infrastructure Institutions (MIIs), inputs or suggestions were sought from various stakeholders. In this regard, there were requests pertaining to Internet Based Trading (IBT) from Industry Standard Forum (ISF) of stock brokers.
2. Upon examination of the aforesaid request by Working Group of MIIs and Secondary Market Advisory Committee (SMAC) of SEBI, the following has been decided:
  - a. In line with Clause 1.1 of Chapter 2 of SEBI Master Circular for Stock Exchanges and Clearing Corporations dated October 16, 2023, the broker is required to apply to the respective stock exchange for a formal permission to provide IBT Service. The stock exchange is required to communicate its decision to the member within 30 calendar days of the date of completed application submitted to the exchange. The timeline, is hereby reduced to 7 calendar days from 30 calendar days.
  - b. In line with Clause 1.1.2.4.3.3 of Chapter 2 of SEBI Master Circular for Stock Exchanges and Clearing Corporations dated October 16, 2023, brokers providing IBT service are required to make periodic reporting to the Exchange as specified by the Exchange. As part of the aforesaid requirement, exchanges compute IBT trade statistics for each stock

broker on the basis of IBT terminal details provided by the stock broker. It has been decided to do away with the existing requirement of periodic confirmation of IBT statistics by the stock brokers before they are published by the stock exchanges. Instead, exchanges would publish IBT statistics on the basis of details of IBT terminals provided by the stock brokers. Exchanges, in this regard, may obtain information/declaration about IBT terminals from stock brokers as deemed fit by them.

3. The circular would be applicable from immediate effect. The circular is being 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 market.

Yours faithfully,

**Ansuman Dev Pradhan**  
**Deputy General Manager**  
**Technology, Process Re-engineering, Data Analytics**  
**Market Regulation Department**  
**+91-22-26449622 Email: [ansumanp@sebi.gov.in](mailto:ansumanp@sebi.gov.in)**