

## **Master Circular for Membership**

### **Master Circular (Updated as on March 31, 2023)**

Exchange in order to facilitate members to comply with the regulatory requirements, has consolidated regulatory requirements prescribed through various circulars issued by the Membership Department of the Exchange till March 31, 2023.

*“Notwithstanding such rescission,*

*a) Anything done or any action taken or purported to have been done or contemplated under the rescinded guidelines before the commencement of this Master Circular shall be deemed to have been done or taken or commenced or contemplated under the corresponding provisions of the Master Circular or rescinded guidelines whichever is applicable.*

*b) The previous operation of the rescinded guidelines or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the rescinded guidelines, any penalty, incurred in respect of any violation committed against the rescinded guidelines, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the rescinded guidelines have never been rescinded.”*

Please note that for detailed specific requirements, members are advised to refer respective circulars.

For any further clarifications, members are advised to contact their designated relationship manager or BSE Help Desk or contact us on details given as under:

**Email ID: - [membership.operations@bseindia.com](mailto:membership.operations@bseindia.com)**

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## **I. Admission of a new member:**

### **1. Deposit Based Membership (“DBM”)**

- 1.1. BSE Limited admits Deposit Based Members (Trading Members) on its " Cash & Debt Segment" against a deposit of ₹ 10,00,000 (Rupees Ten lakhs only).

### **2. Procedure to avail Deposit Based Membership**

- 2.1. The application form in the prescribed format, complete in all respects should be accompanied by Demand Draft/Pay Order drawn in favour of "BSE Limited" or transfer funds online and confirm payment details for ₹ 1 lakh (Rupees one lakhs only) towards Earnest Money Deposit on which no interest will be payable. The applicant has to pay the balance amount after he receives the SEBI registration certificate but before the commencement of business.
- 2.2. The complete application form, for procuring SEBI Stockbroker registration by applicants who are not Member of any recognized Stock Exchange/Clearing Corporation) is enclosed as Annexure A.
- 2.3. The complete application form, for procuring membership at BSE (for applicants who are Members of any recognized Stock Exchange/Clearing Corporation) is enclosed as Annexure B (Checklist for admission in additional segment).
- 2.4. Earnest money deposit of ₹1 lakh shall be forfeited by the Exchange and the application for DBM registration shall be treated as closed in case –
- a) The applicant does not complete the documentation for registration as a trading member (as per checklist) to the satisfaction of the Exchange within six months from the date of receipt of the application.
  - b) The applicant withdraws its application at any point of time before commencement of business.
  - c) The Member does not commence business on the Exchange within six months of date of letter of admission (if the applicant is already a SEBI registered stockbroker on other exchange/s)
  - d) The Member does not commence business on the Exchange within six months of the intimation from the Exchange regarding SEBI stockbroker registration certificate being granted to the applicant.

### 3. Deposit and Fees Structure

#### 3.1. Table content

Particulars	For Individual, Partnership Firm, Corporate & LLP												
		Refundable / Non Refundable	Exposure for trading -										
Deposit for DBM Membership in Cash and Debt segment	10,00,000	Refundable	Yes										
Base Minimum Capital (BMC)	<p>Base Minimum Capital-(50% Cash/ Cash equivalent (minimum ₹1.25 lacs in cash is mandatory) and 50% non-cash equivalent) as per SEBI, vide circular no. CIR/ MRD/ DRMNP/ 36/ 2012 dated December 19, 2012. The revised requirement of BMC to be maintained by Stockbroker and Trading Member, according to their profiles as given below, which is effective from April 1, 2013.</p> <table border="1"> <thead> <tr> <th>Categories</th> <th>BMC Deposit</th> </tr> </thead> <tbody> <tr> <td>a) Only Proprietary trading without Algorithmic trading (Algo)</td> <td>10 lacs</td> </tr> <tr> <td>b) Trading only on behalf of Client (without proprietary trading and without Algo)</td> <td>15 lacs</td> </tr> <tr> <td>c) Proprietary trading and trading on behalf of Client without Algo</td> <td>25 lacs</td> </tr> <tr> <td>d) All Trading Members/ Brokers with Algo</td> <td>50 lacs</td> </tr> </tbody> </table>	Categories	BMC Deposit	a) Only Proprietary trading without Algorithmic trading (Algo)	10 lacs	b) Trading only on behalf of Client (without proprietary trading and without Algo)	15 lacs	c) Proprietary trading and trading on behalf of Client without Algo	25 lacs	d) All Trading Members/ Brokers with Algo	50 lacs	Refundable	No
Categories	BMC Deposit												
a) Only Proprietary trading without Algorithmic trading (Algo)	10 lacs												
b) Trading only on behalf of Client (without proprietary trading and without Algo)	15 lacs												
c) Proprietary trading and trading on behalf of Client without Algo	25 lacs												
d) All Trading Members/ Brokers with Algo	50 lacs												
Admission Fees*	50,000.00	Non Refundable	No										

Particulars	For Individual, Partnership Firm, Corporate & LLP		
		Refundable / Non Refundable	Exposure for trading -
Processing Fess*	5000.00	Non Refundable	No
Annual Subscription*	1,00,000.00	Non Refundable	No

\* Applicable Taxes.

### 3.2. Base Networth & Financial Requirement, Method of Computation and Net Liquid Collaterals

The applicants are advised to refer enclosures pertaining to financial requirements and norms for admission of a company as a Trading Member of the Exchange.

Trading members / Clearing members of the Exchange/ ICCL are required to maintain networth as prescribed by the Exchange/ ICCL at all points of time as per the continuing membership norms of the Exchange/ ICCL. Base Networth for various classes of members as prescribed in the SEBI Gazette Notification No. SEBI/LADNRO/GN/2022/73 dated February 23, 2022, is as follows:

Segment	Type of membership	Revised Base Networth - Applicable from 23.02.2023 (Effective 31.03.2023 submissions ₹ Cr)	Revised Base Networth - Applicable from 23.02.2024 (Effective 31.03.2024 submissions ₹ Cr)	Net Liquid Collaterals (₹ lakhs)
Cash	TM	0.25	1.00	NIL
	SCM	3.00	5.00	NIL
	TCM	10.00	15.00	
Equity Derivative	TM	0.25	1.00	NIL
	SCM	3.00	5.00	50
	TCM	10.00	15.00	
Currency Derivatives	TM	1.00 500.00 (For Banks)	1.00 500.00 (For Banks)	NIL
	SCM	5.00 500.00(For Banks)	5.00 500.00 (For Banks)	50
	TCM	10.00 500.00(For Banks)	15.00 500.00 (For Banks)	
New Debt	TM	0.50	1.00	NIL
	SCM	3.00	5.00	10*

Segment	Type of membership	Revised Base Networkworth - Applicable from 23.02.2023 (Effective 31.03.2023 submissions ₹ Cr)	Revised Base Networkworth - Applicable from 23.02.2024 (Effective 31.03.2024 submissions ₹ Cr)	Net Liquid Collaterals (₹ lakhs)
	TCM	10.00	15.00	
Commodity Derivatives	TM	Corporate - ₹25 lakhs/ Non-corporate - ₹10 lakhs	1.00	NIL
	SCM	3.00	5.00	50
	TCM	10.00	15.00	
EGR	TM	0.25	1.00	NIL
	SCM	3.00	5.00	NIL
	TCM	10.00	15.00	

Networth requirement of minimum ₹3 crores is applicable to Members, who have availed margin trading facility.

\*Deposit of ₹10 lakhs applicable to CMs/ SCMs registered **ONLY** in Debt segment

Deposit of ₹10 lakhs is exempted for CMs/ SCMs in any of the following cases –

- a) They are CMs/ SCMs of any other segment of Clearing Corporation e.g.
  - i) existing CM/ SCM of Cash/ Equity Derivatives/ Currency Derivatives of ICCL for BSE and applying for CM/ SCM of Debt Segment of BSE
  - ii) existing CM/ SCM of Currency Derivatives of ICCL for USE and applying for CM/ SCM of Debt Segment of BSE
- b) They are TM of any other segment of Stock Exchange e.g.
  - i) existing TM of Cash/ Equity Derivatives/ Currency Derivatives of BSE applying for CM/ SCM of Debt Segment of ICCL for BSE
  - ii) They will clear and settle trades only on gross basis for securities and funds

### 3.3. Variable Networkworth (within 1 year of the date of notification of the SEBI (Stockbrokers) (Amendment) Regulations, 2022)

10% of average daily cash balance of clients retained with the Member across segments/exchanges in the previous 6 months for all types of Members i.e., Trading Member, Self-Clearing Member, Clearing Member and Professional Clearing Member

Refer below BSE notice link for SEBI Gazette Notification dated March 10, 2022.

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20220310-8>

#### 4. Types of membership at BSE:

4.1. Membership of the Exchange is open to corporate entities, limited liability partnerships, partnership firms and individuals who fulfil the eligibility criteria as laid down by SEBI and BSE.

Types of Membership	Membership Deposits	Documents required
Cash segment, Equity Derivatives segment, Currency Derivatives segment, Commodity Derivatives segment, Debt Segment & Electronic Gold Receipt (EGR) segment	₹ 10,00,000/- (only for Cash & Debt segments)	<p>1) Please refer to the <a href="#">Application Booklet</a> link for details regarding registration as stockbroker with SEBI</p> <p>2) Please refer to the link <a href="#">Application forms for Stock brokers &amp; Clearing members of Recognised stock Exchanges.</a></p> <p>3) Existing registered Members of the Exchange applying only as Trading Member has to submit the documents as per checklist <a href="#">Checklist Documents Additional Segment Registration</a></p> <p>4) Existing Member of the Exchange applying as Trading cum Clearing or Trading cum Self Clearing has to submit separate documents (one for BSE and one for ICCL)</p>

4.2. Relevant links for new membership application forms, documents, application forms for stockbrokers and clearing members of other stock exchanges/ clearing corporations seeking membership on BSE along with checklist for admission in additional segment is provided below:

- a. [New membership application forms and documents](#)
- b. [Application forms for stockbrokers and clearing members of other stock exchanges/clearing corporations seeking membership on BSE](#)

c. Checklist for admission in additional segment:

- 1) [TM application cum undertaking form for additional segment](#)
- 2) [SCM & TCM application cum undertaking form for additional segment](#)

5. **Membership Fees for various segments**

5.1. Membership fees/charges for Equity, Equity Derivatives, Currency Derivatives, Debt, Commodity Derivatives and Electronic Gold Receipt {EGR} Segment is given below:

(₹in lakhs)							
Sr. no.	Particulars	Equity Segment (Exclusive membership)	Equity Derivatives Segment (Exclusive membership)	Currency Derivatives Segment (Exclusive membership)	New Debt Segment (Exclusive membership)	Commodity Derivatives Segment (Exclusive membership)	Electronic Gold Receipt (EGR) Segment
1	Membership Deposit	10.00	NIL	NIL	10.00	NIL	NIL
2.	Admission Fees#	0.50	0.50	0.50	0.50	0.50	0.50
3.	Annual Subscription charges#	1.00	1.00	1.00	1.00	1.00	1.00
4.	Initial Contribution towards IPF	NIL	NIL	0.0025	NIL	NIL	NIL
5.	Application processing fees#	0.05	NIL	NIL	0.05	NIL	NIL

# The amounts are exclusive of GST.

## II- Post Registration Compliances

### 6 Post Registration Compliances as a Member of BSE

Trading Members should ensure the below mentioned post registration compliances:

Compliance requirement	Timelines for filing	Applicable processing fees	Filing method	Link for accessing the formats
Change in Shareholding with Control - Corporates	Prior approval to be taken.	₹ 2.5 lakhs	Physical copy and through email.	<a href="#">Format for change in shareholding with Control-Corporates</a>
Change in Shareholding without control- Corporates	Members are required to obtain prior approval of the Exchange.	₹ 1000/-	Physical copy and through email.	<a href="#">Format for Change in Shareholding without control-Corporates</a>
Change Shareholding without control for LLP and Partnership firms	Members are required to obtain prior approval of the Exchange.	₹ 1000/-	Physical copy and through email.	<a href="#">Format for Change Shareholding without control for LLP-Partnership</a>
Change in shareholding with control - for LLP and Partnership firms	Prior approval to be taken.	₹2.5 lakhs	Physical copy and through email.	<a href="#">Format for change in shareholding with control-for LLP-Partnership</a>
Change in Compliance Officer	Members are required to intimate the Exchange within 7 working days	NIL	OMRS portal	<a href="#">Format for Appointment of change in Compliance Officer</a>
Change in Composition of Designated Directors	Prior approval to be taken.	₹ 2000/-	BEFS portal	<a href="#">Format for Change in Composition of Directors</a>

Compliance requirement	Timelines for filing	Applicable processing fees	Filing method	Link for accessing the formats
Change in Composition of Non -Designated Directors	Prior approval to be taken.	₹ 1000/-	BEFS portal	<a href="#">Format for Change in Composition of Non -Designated Directors</a>
Change in Composition of Designated Partners & Partners - LLP	Members are required to obtain prior approval of the Exchange.	₹ 1000/-	Physical copy and/ or through email.	<a href="#">Format for Change in Compositions of Designated Partners &amp; Partners-LLP</a>
Change in Managing Partners & Partners - Partnership				<a href="#">Format for Change in Managing Partners &amp; Partners-Partnership</a>
SEBI Single Registration	—	Nil	Physical copy and/ or through email.	<a href="#">Checklist for SEBI Single Registration</a>
Conversion of existing trading membership into LLP/Partnership/ Corporate	Prior approval to be taken.	₹25,000/-	Physical copy and/ or through email.	<a href="#">Checklist for conversion of existing Trading membership into LLP</a>
Change in name of the entity		₹ 2000/-		<a href="#">Change in name</a>
Issuance of Status Report		₹1000/-	Through BEFS	
Intimation letter regarding amendments in MOA/AOA by corporate member	-	-	Intimation through Email	<a href="#">Intimation Letter for Amendments in MOA/AOA of corporate member</a>
Change in Registered Office	-	₹ 1000/-	OMRS portal	<a href="#">Change in Registered Office</a>

Compliance requirement	Timelines for filing	Applicable processing fees	Filing method	Link for accessing the formats
Address of the Member				<a href="#">Address of the Member</a>
Application for Membership in Additional Segment by Existing Members of the Exchange/ ICCL	-	-	BEFS Portal	<a href="#">Application for Membership in Additional Segment by Existing Members of the Exchange/ ICCL</a>
Change in Clearing Member Affiliation	-	-	Email intimation	<a href="#">Change in Clearing Member Affiliation</a>

## 7. Regulatory Reporting

Compliance requirement	Timelines for filing	Applicable fees	Filing method	Link for accessing the formats
Annual Returns	Due date – 31 <sup>st</sup> October	Not Applicable	BEFS Portal	<a href="#">Refer to BSE notice being issued in this regard</a>
Half Yearly Networth Certificate submission as on 31 <sup>st</sup> March	Due date – 31 <sup>st</sup> May	Not Applicable	BEFS Portal	<a href="#">Refer to BSE notice being issued in this regard</a>
Half Yearly Networth Certificate submission as on 30 <sup>th</sup> September	Due date – 30 <sup>th</sup> November	Not Applicable	BEFS Portal	<a href="#">Refer to BSE notice being issued in this regard</a>
Half Yearly Networth Certificate submission as on 31 <sup>st</sup> March for members availing Margin Trading facility	Due date - 30 <sup>th</sup> April	Not Applicable	BEFS Portal	<a href="#">Refer to BSE notice being issued in this regard</a>

Compliance requirement	Timelines for filing	Applicable fees	Filing method	Link for accessing the formats
Half Yearly Networth Certificate submission as on 30 <sup>th</sup> September for members availing Margin Trading facility	Due date – 31 <sup>st</sup> October	Not Applicable	BEFS Portal	<u>Refer to BSE notice being issued in this regard</u>

## 8. Other Processing Fees:

Sr No.	Particulars	Charges w.e.f. 01/04/2020
1	Deposit Based membership registration	5,000/-
2	Issue of Turnover Certificates	1,000/-
3	Registration of Remisiers	1,000/-
4	Cancellation of Remisiers registration	500/-
5	Registration of Authorised Persons	2,000/- (segment wise)
6	Cancellation of Authorised Persons	1,000/- (segment wise)
7	MFD registration	2,000/-
8	Advertisement approval	3,000/-
9	Total surrender of membership	50,000/-
10	Segment surrender	25,000/-

**Note:** Applicable GST shall be levied on all the processing fees mentioned above

Processing fees link provided below for ready reference:

[Processing fees for activities of Membership Operations](#)

## 9. Various circulars to be implemented post registration as a member

### 9.1 Integration of Investor Complaints

Trading Members of the Exchange are hereby informed that with a view to monitor the complaints received by the Trading Members from their Investors, it has been decided that the details of all such direct complaints shall now be disclosed by trading member to Stock Exchanges.

In view of the above, the trading members are required to submit the details of the direct complaints received by them (through any channel) in the format enclosed as **Annexure A**,

(<https://www.bseindia.com/markets/MarketInfo/DownloadAttach.aspx?id=20230406-15&attachedId=df8099dd-8a51-47fd-a1fb-7ac9844ba40a>) on a monthly basis, through 'BEFS portal' available to the Member. Path for submission of the complaints is provided below:

**BEFS Portal->Menu-> Complaint Management → Direct Member Complaints**

Trading Members are requested to upload the details of all complaints pending as on March 31, 2023, along with complaints received by them during the month of April 2023, by May 07, 2023. Subsequently, the details of complaints shall be submitted on monthly basis within seven days of the subsequent month.

Further, in case of Nil submission: Select option Yes and Save, and for complaints data: Select option "No" and then "Click here for bulk data upload". (Refer Annexure for example of Screen display).

<https://www.bseindia.com/markets/MarketInfo/DownloadAttach.aspx?id=20230503-12&attachedId=6517781c-80c5-4c3f-b82b-26041073023b>

This circular shall be effective from May 01, 2023. All members are advised to take note of the above and ensure strict adherence to the compliance requirements

Refer BSE circulars dated April 06, 2023 and May 03, 2023 (link provided below)

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20230406-15>

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20230503-12>

## 9.2 Advertisement approval process and Revised Code of Advertisement

Trading Members of the Exchange must submit draft advertisement to be published in print/electronic media through BEFS (interface with members) for approval. The advertisement should be in conformity with the revised code of advertisement and other notices issued by SEBI/Exchange from time to time. Exchange verifies the draft advertisement and grants approval through BEFS.

Validity of the approval is for 180 calendar days from the date of approval of the advertisement. In the event, the approved advertisement is not published/aired within the aforesaid validity period, the Trading Member shall be required to re-apply and take fresh approval from the Exchange. Details relating to published advertisements must be furnished through BEFS interface.

During inspection of the Member, the inspection department relies on the internal audit report of the Member for tracking if any advertisement has been issued by the Member without taking prior approval of the Exchange.

**Revised Code of Advertisement notice no.20230207-34 dated February 7, 2023 supersedes the code of advertisement prescribed by the Exchange vide Notice No. 20161109-13 dated November 09, 2016**

1. Advertisement shall include all forms of communication issued by or on behalf of or in relation to Stockbroker in publicly available media that may influence investment/trading decisions of any investor/prospective investors It also includes internal communication to registered clients that may influence investment/trading decisions.

2. Forms of communications shall include but shall not be limited to all written or audio or visual form including social media forms including use of workshops and the like.

**3. Broad guidelines:**

3.1 Prior approval for all Advertisement should be obtained from the Exchange before issuance of Advertisement.

3.2 Any Advertisement issued by Authorized Persons/Business Partner/Channel Partner of the members or Influencer/Blogger being paid by members, shall require prior Exchange approval. Any advertisement issued by Authorized Person on their own shall not be entertained by the Exchange.

3.3 Members are hereby advised to undertake adequate due diligence to ensure that content used by the above strictly adheres to the Code of Advertisement prescribed by the Exchange/SEBI from time to time.

3.4 In the event of suspension of any Member by the Exchange, the Member so suspended shall not issue any Advertisement either singly or jointly with any other Member, during the period of suspension.

3.5 In the event of any proceeding/action initiated against a Member by a regulatory body other than the Exchange, the Exchange reserves the right to direct the Member to refrain from issuing any Advertisement for such period as it may deem fit.

3.6 Members should have an internal policy/framework to ensure compliance by itself and Authorized Persons/Business Partner/Channel Partner of the members or Influencer/Blogger being paid by members, with the circulars/guidelines issued by the Exchange/ SEBI for Advertisements.

3.7 Any promotion for the mobile application of the Member (with or without account opening or Products/Services info) will require prior Exchange approval.

3.8 In case of any third-party issuing Advertisement on any platform without the consent of the Member and the Member disowns the said Advertisement, in such case, the Member is required to take appropriate legal action against such entity and inform the Exchange regarding such action and outcome thereof.

3.9 Information contained in the Advertisement should be accurate, complete and unambiguous.

#### 4. Advertisement shall contain:

4.1 Name of the Member, complete registered office address, SEBI Registration number (all registration numbers and names of the Exchanges in case of multiple memberships)/ Member ID allotted by Exchange and logo of the Member, if any.

4.2 Standard warning in legible fonts (minimum font size 10) which states '*investments in securities market are subject to market risks, read all the related documents carefully before investing.*' No addition or deletion of words shall be made to the standard warning.

4.3 In audio-visual media-based advertisements, the standard warning in visual and accompanying voice over reiteration shall be audible in a clear and understandable manner. For example, in standard warning both the visual and the voice over reiteration containing 14 words running for at least 5 seconds may be considered as clear and understandable. This is also applicable for video content, or any other content/information issued by Authorized Persons/Business Partner/Channel Partner of the members or Influencer/Blogger.

4.4 In case the mode of advertisement is in the form of SMS/Message/Pop-up, etc. and the details such as full name, logo, complete registered office address, SEBI registration numbers and standard disclaimer are not mentioned, then a hyperlink to the official website must be provided in such SMS/Message/Pop-up, etc. and the website must contain all such prescribed details.

4.5 If there is a mention of content pertaining to any other business activity such as Mutual Funds, IPO, Insurance, Commodities, Bonds, Loans, etc., in the advertisement, then respective registration number(s) where applicable must be mentioned.

4.6 If the member is only a distributor/s for any of the products mentioned in the advertisement, disclaimer that they are only distributor/s of such products must be specifically mentioned in the disclaimer.

4.7 In case any specific security/securities are displayed in the Advertisement as examples, disclaimer that *“The securities are quoted as an example and not as a recommendation”* must be mentioned on the same slide of the written creative / frame of the video where the same is displayed and not at the end of the creative / advertisement. The logos of the securities quoted shall not be used in the creative.

4.8 If the Advertisement contains prepaid Brokerage schemes, BSE notice No. 20140324-15 dated March 24, 2014 regarding pre-paid schemes should be complied with. In case, anything related to the brokerage rates offered by the Member is mentioned in the Advertisement, then a disclaimer stating that the *“Brokerage will not exceed the SEBI prescribed limit”* must be mentioned.

4.9 Statistical information, charts, graphs, etc. when used should be supported by their source (certification by a practicing professional or other authentic verifiable source, if any).

4.10 Where advertising claims are expressly stated to be based on, or supported by independent research or assessment, source of such data and the period it relates to, must be indicated in the advertisement. Further, authentic source of such information must be provided in the Advertisement.

4.11 Name and Logo of the Exchange shall not be used by the members in their creatives / advertisement.

#### 5. Advertisement/Material shall not contain:

5.1 Superlative terms, such as best, no. 1, among market leaders, etc. unless such terms are provided by an entity independent of the Member and its affiliates, and whose services are not procured by the Member or any of its affiliates in order to assign the Member such term.

5.2 Any statement which directly or indirectly discredits other advertisements or Member or make unfair comparisons. The advertisement issued should not imitate any advertisement by other Members

5.3 Any recommendation/promotion of a specific scrip/contract, in any manner including by way of reference to past performance or research material, shall not be permitted.

5.4 Celebrities shall not form part of the advertisements including but not limited to, in the form of cartoons/memes, etc. The word 'celebrity' means and includes any person:

- a. who feature in the top 50 rankings in any celebrity index published by a national publication of repute which is publicly available. The celebrity index should be latest available or at the most one-year old.
- b. who has played lead role or one of the lead roles in any mainstream / prominent/ popular movies/TV serials/TV shows/web-series on any of the OTT platforms.
- c. who is an Influencer with more than 10 Lacs followers/subscribers (per social media handle) on any social media platform that includes but not limited to YouTube, Instagram, Facebook, Twitter, etc.
- d. who being a Sports person has been part of National team of the country to which he belongs or has represented his country in international tournaments/events such as Olympic Games, Asian Games, Commonwealth Games, popular sports events telecasted on television such as Kabaddi, Cricket IPL, etc. and competitive games at international level for that given sport, etc.
- e. who has been host or one of the hosts or anchors or one of the anchors for any TV programs such as quizzes, cooking shows, news channels, comedy shows, dance shows, song shows, award functions and such other entertainment programs at least for one season or for a minimum of 10 episodes, as the case may be.
- f. who has been winner or runners-up in any prominent/popular competitive program aired on TV/OTT platform or any prominent personality who has gone through a series of qualifying rounds (for elimination of competitors) which may be known as qualifying round, quarter finals, semi-finals and finals or by any other name.
- g. who is a virtual character (fictional computer 'people' or avatars who have the realistic characteristics, features and personalities of humans) that bears influence on their audience/followers
- h. who in the view of Exchange is capable of influencing the opinion of viewers of the advertisement.

Notwithstanding anything contained in these guidelines, decision of the Exchange shall be final in determining if the person made a part of the advertisement/material is a celebrity or not.

### 5.5 Incentive/referral schemes

- a. Members shall refrain from providing any form of incentive/vouchers/ coupons/ certificates/ tokens, by whatever name called, to their clients for account opening/ trading/ activating inactive trading accounts of clients or any kind of subscription plan or for downloading mobile application etc. Members shall not offer any scheme/plan to clients which compel them to undertake/execute trades/transactions with the Member, in order to avail/continue to avail certain benefits, previously given, under brokerage plan/upon account opening.
- b. Members or anybody associated with the Member including the Authorized Persons/ Associates/ Channel Partners/Influencers/Bloggers shall not promote or incentivize trading/transactions, in any form including but not limited to distribution of brokerage waivers/ cashback/ certificates /medals /gifts /prizes/ coupons/ tokens.
- c. Members should abide by the guidelines on incentives/referral schemes issued by Exchange vide Notice no. 20200311-57 dated March 11, 2020, or any other guidelines/ circulars issued from time to time.

### 5.6 Schemes/leagues/competitions:

- a. Member shall not deal or directly/indirectly sponsor or be associated in any kind of scheme/league/competition/quiz/game/lottery/ engagement programs with general public/clients etc. which involves distribution of money/ certificates/ medals/gifts /prizes/ coupons/ tokens/etc. or any form of incentive monetary or otherwise, by whatever name called and has the effect of inducing the investors/clients to promote their brand in any manner or promote/incentivize trading/transactions.
- b. No reference of Member's name, logo, etc. can be made in any schemes/leagues/ competition, etc.
- c. Members shall not share any information of their clients with a third party, even with the clients' consent, in case any third party is involved in launching schemes/ leagues/ competition, etc.
- d. Members shall not take any financial liability, including any contingent financial liability, on account of any schemes/leagues/competition, etc. launched by a third party.

### 5.7 Algorithmic trading services/strategies: Members who are providing algorithmic trading services/ strategies as well as Members who feature

in any of the platform offering such services are advised to refrain from undertaking the following:

- a. directly or indirectly make any reference to the past performance or expected return out of algorithmic trading services/strategies in any form of advertisements/business communication on publicly accessible platforms including and not limited to social media/ websites/digital & print media etc.
- b. not make any reference to the past performance or expected return out of algorithmic trading services/strategies, during any presentation/ account opening forms/ pamphlets/ banners/ forums /gatherings organized to onboard new clients/pitching new segment/product to existing clients including, exhibiting of past performance, or expected return on any of the platforms used by Authorized Persons/Vendor/associated entities of the Member, except as permitted.
- c. directly or indirectly associate with any platform providing any reference to the past or expected future return/performance of the algorithm.

5.8 Anything which is otherwise prohibited for publication under the relevant Act.

5.9 Any false/ misleading/ biased/ exaggerated/ deceptive/ ambiguous statement or any misleading testimonials.

5.10 Any promise or assurance of any fixed/guaranteed/ indicative returns to prospective/ existing clients. Members are not permitted to undertake any business/ activity that is not allowed under the Byelaws, Rules & Regulations and circulars of SEBI/ Exchanges including operating any scheme of unauthorized collective investment/ portfolio management, promising indicative/guaranteed/ fixed returns/payments etc.

5.11 Recommendations such as BTST (Buy Today and Sell Tomorrow), ATST (Acquire Today and Sell Tomorrow) etc. cannot be mentioned in the Advertisement as per BSE Notice no. 20091005-23 dated October 05, 2009.

5.12 Logo of other entities cannot be used unless specific approval is obtained from the respective entities.

#### 6. Advertisements which do not require Exchange Approval

Following shall be exempted from seeking Exchange prior approval, provided there is no reference to the Member's product or services or Brokerage plans, or any other promotional activities etc. in the said communication:

- a. All communications/material /articles issued by the Member subject to holding necessary registrations required under SEBI regulation:
  - i. For educational/information purposes, knowledge sharing/training and has no influence the investment/trading decisions of any investors
  - ii. To clients in the capacity of a research analyst/investment advisor covered under SEBI (Research Analysts) Regulations, 2014.
  - iii. To clients in the capacity of distributor (with necessary disclaimers as specified in BSE Notice no. 20200901-38 dated September 01, 2020).
  - iv. To promote activities covered under SEBI (Investment Advisers) Regulations 2013.
  - v. To promote activities covered under Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.
  - vi. Any communication that is limited to market commentary concerning overall changes in the market on a particular day, or a discussion of economic news wherein there is no mention of any information that can influence the investment/trading decisions of any investor.
- b. Wishes /Greetings from company on events/festivals by the Member which does not involve any form of promotional activities.
- c. Press release/ audio & video interviews by members which cannot influence the investment/trading decisions of any investors
- d. All public communications, inviting applications for franchisees/authorized persons, etc. to drive the business expansion of the Member, provided such communication does not have any information that can influence the investment/trading decisions of any investor.
- e. Sponsorship for TV shows/Talk show and events which does not involve any form of promotional activities and is only limited to sponsorship.
- f. Content which is exclusively for Non-Broking Products/Services e.g., Mutual Fund, Mutual Fund-SIP, Research reports, Insurance, etc. where the Member is just a distributor. This should contain specific disclosure that these are not Exchange traded products, and the Member is just acting as distributor. It should also state that all disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.
- g. Advertisements that have been approved previously and that are to be used without any change except changes to factual information whether it is issued by Member, Channel Partner or employee. However, such

advertisements should be issued within 180 days from the date of approval by the Exchange.

h. Third party can publish any content related to the products/services offered by them, that has been approved by the Exchange as content to be used by a member within 180 days from the date of such approval.

i. If an advertisement is approved by Exchange for a specific medium (for e.g., print media) and the same advertisement without any change in the content is redesigned for a different medium (for e.g., social media, etc.) then no further approval would be required. However, such advertisements should be issued within 180 days from the date of approval by the Exchange.

#### 7. Approval provisions:

a. Members can apply for Advertisement approval through 'BSE Electronic Filing System (BEFS)' module.

b. A maximum number of 5 creatives can be included in one advertisement for approval.

c. Copy of the complete advertisement including contents provided in the link shall be submitted in the form of PDF (videos to be uploaded on BEFS portal or provided through CDs) to the Exchange.

d. Members shall provide an undertaking as per the format provided (Annexure A) confirming compliance with the code of advertisement. (This undertaking is readily available in BEFS advertisement module where the member has to tick and then submit the application.)

e. Members shall provide an undertaking as per the format provided (Annexure B) while submitting the draft content/script/advertisement that has individuals forming a part of it, to the Exchange for approval.

f. Members shall provide an undertaking as per format provided (Annexure C) while submitting the draft content/script/advertisement that has references for trading in options.

g. In case a creative is issued in any regional language, Member shall provide the translated version of the said advertisement in English.

#### 8. Penalties:

Members not complying with the Code for Advertisement may have to face disciplinary proceedings as specified in BSE notice no. 20180214-31 dated February 14, 2018 or any other penalty as prescribed by the Exchange from time to time.

Notwithstanding anything contained in these guidelines:

- a) Members must comply with code of conduct prescribed under Regulation 9 of SEBI (Stockbrokers) Regulations, 1992 and all relevant Byelaws, rules & regulations and of SEBI/Exchange with respect to sharing of Brokerage, account opening, inducement to trade, sales practices, orders placement etc. issued from time to time.
- b) Decision of the Exchange shall be final in determining whether the advertisement is complying with this Code.

Link of the BSE notice no.20230207-34 dated February 7, 2023: -

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20230207-34>

### **9.3 Guidelines on Compliance Officers**

As per Regulation 18A of SEBI (Stockbroker) Regulation, 1992, all the Trading Members of the Exchange are required to appoint a compliance officer who shall be responsible for monitoring the compliances relating to the Act, Rules Regulations, notifications, guidelines, instructions, etc., issued by SEBI or Central Government or Exchanges for redressal of investors' grievances.

In order to have a robust compliance system, Trading Members should have an effective compliance culture and a strong compliance risk management programme. The Compliance Officer play an important role in facilitating compliance by promoting strong regulatory practices that ensure risk management, investor protection and market integrity. Hence, the compliance officer should be selected through a suitable process with an appropriate 'fit and proper' evaluation/selection criteria to manage the compliance risk effectively.

In this regard, the guidelines on Compliance Officers w.r.t the eligibility of Compliance Officers, tenure and continued suitability on an ongoing basis etc. are being issued. The guidelines are annexed as Annexure A in the notice issued.

Link to the BSE notice: -

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20221125-31> dated November 25, 2022

### **III. Remisier**

#### **10. *Remisier details, steps for engagement as a Remisier, Remisier guidelines & application form - Requirements***

10.1. Remisier is engaged by a member-broker, primarily to solicit business in securities on a commission basis. Remisiers can operate trading terminals at member's office only. However, it is clarified that at present, trading terminals cannot be installed at Remisier's Office in view of SEBI circular no SMDRP/Policy/Cir-49/2001 dated October 22, 2001 which states that trading terminals should be installed at Members Offices' or their associated Sub-Brokers offices only. The applications for remisiers are approved by the Exchange. SEBI approval is not required for registration of Remisiers.

#### **10.2. Steps for engagement as a Remisier**

##### **10.2.1. Submission of application**

The application should be submitted to the Membership Operations Department, through the Trading Member with whom the person intends to be registered as a Remisier.

##### **10.2.2. Scrutiny**

After scrutinizing the documents, the applications are placed for necessary approval.

##### **10.2.3. Approval**

In case the application is approved, the approval letters along with the Registration Number are issued to the Trading Members through whom the applications are submitted.

##### **10.2.4. Rejection**

In case the application is rejected then the Trading Members are informed of the same. Trading Members should fulfil the conditions as suggested by the approving authority.

#### **10.3. Remisier guidelines & application form- Requirements**

10.3.1. Covering letter on letter head of the Trading Member regarding appointment of the Remisier and addressed to Membership Operations Department along with Remisier Application Form with undertakings

(Remisier Application Form available at our web site:  
[www.bseindia.com/about/downloads.asp](http://www.bseindia.com/about/downloads.asp))

- 10.3.2. Form-A & Undertaking-A should be signed by the Trading Member of BSE or any of the Partners In case of a Corporate Trading Member, Form A & Undertaking A should be signed by the designated director or director or authorized signatory and a copy of the Board Resolution for authorizing them to sign the above forms and undertaking should be enclosed with every application.
- 10.3.3 In case of an Individual, the applicant is required to fill up From-A, Form B. If his education is below HSC, then he is required to submit experience certificate for minimum two years related to capital market with SEBI registered intermediaries.
- 10.3.4. In case of a Partnership Firm, the applicant is required to fill up Form A, Form-C and annexure for each partner and enclosed the Certified True copy of Partnership Deed.
- 10.3.5. Discharge certificate is for cancellation of Remisier registration. Please note that when a Discharge Certificate of another Broker is enclosed with the application, please ensure that the earlier Remisier Registration of that applicant must be cancelled by BSE with that of earlier Trading Member.
- 10.3.6. Proof of Identity: Certified True Copy of PAN card is mandatory of applicant or for each Partner of applicant who want to become Remisiers. Certification can be done by Chartered Accountant or Trading Member of the Exchange or Partner/ Designated Director of Trading Member Company or Special Executive Magistrate.
- 10.3.7. Proof Address: Certified true copy of (anyone):  
Ration card,  
Electricity bill, Passport,  
Driving License,  
Voters Identity card, Aadhaar card  
BSNL / MTNL land line Bill or Nationalized Bank passbook.

Copy of the applicable documents pertaining to the applicant or for each Partner of applicant who want to become Remisier. Certification can be done by Chartered Accountant or Trading Member of the Exchange or Partner/ Designated Director of Trading Member Company or Special Executive Magistrate.

10.3.8. Educational Proof: Certified copy of Minimum HSC passed mark sheet or Passing Certificate issued by Board /recognized University is mandatory

10.3.9. Specify the nature of business in the present occupation in Form B and also fill up all the particulars as applicable. Both Undertaking A and Undertaking B are required to be submitted.

10.4.0. Remisiers registration processing fee will be charged ₹ 1000/- per application and processing fee will be debited to Trading Members General Charges Account in the subsequent month.

#### **10.4. Important Note**

⇒ Applicant can be a Remisier of only one Trading Member at a time.

⇒ Authorised Person cannot become Remisier.

⇒ Only an Individual or a Partnership Firm can become a Remisier.

⇒ Applicants who work as Employees of any Individual, Firm or Organization cannot become a Remisier. However, employees of a Trading Member can become Remisier for that Trading Member only.

⇒ It is not compulsory for BSE Trading Members to appoint Remisiers but they should ensure to deal with only a registered entity.

⇒ Minimum age for Remisier is 21 years

Maximum age for Remisiers is 65 years

⇒ Trading Member/Applicant are required to read the form carefully and also go through Rules, Regulations and Byelaws of the BSE Ltd related to Remisier before appointing /applying for Remisier Registration.

Various application forms for approval of appointment of Remisier along with Undertaking of Trading member to BSE has been provided in the enclosed link:

[Remisier guidelines & application form](#)

#### **11. Checklist for Remisier cancellation**

### 11.1 Checklist for cancellation of the Remisier registration.

- Cancellation letter addressed to the Membership Operations Department on the letter head of the Trading Member regarding cancellation of the Remisier
- Discharge Certificate as per the prescribed format
- Acknowledged copy of the cancellation letter sent to the Remisier
- Original registration certificate of the Remisier.  
(In case the Original Registration letter of the Remisier is misplaced/lost and the Trading Member wants to cancel the Remisier registration, then in such case the Trading Member will give a separate letter addressed to the Exchange on their letter head stating that the Original Remisiers Registration Letter is misplaced/lost.)

(Remisier cancellation Form is available at our website:

<https://www.bseindia.com/static/members/remiser.aspx>)

- 11.2. The processing fee will be charged will be ₹ 500/- per application for cancellation of the Remisiers registration and this processing fee will be debited to the Trading Member's General Charges account in the subsequent month.

No processing fee will be charged for cancellation due to death of the Remisiers

## 12. *Circulars pertaining to Remisiers*

### 12.1 Refer Circular 1.

Notice No.20040205-13 Dated 05/02/2004

Sub: To operate Bolt terminals by Remisier

### 12.2 Circular 2.

Notice No.: 20051207-10 Dated: 07/12/2005

Sub: Gazette Notification on Amendment to Rule 217 & Bye Laws 218(a) and (b) of Rules, Bye Laws & Regulation of the Exchange regarding Commission terms for Remisiers & Sharing of Brokerage

## **IV. Authorised Person (AP)**

### **13. "Authorised Person" (AP)- Introduction**

- 13.1 Authorised Persons means any person – Individual, partnership firm, LLP or body corporate – who is appointed as such by a stockbroker (including trading member) and who provides access to trading platform of a stock exchange as an agent of the stockbroker.
- 13.1 A stockbroker may appoint one or more authorised person(s) after obtaining specific prior approval from the stock exchange concerned for each such person. The approval as well as the appointment shall be for specific agreement of the exchange.
- 13.2 All authorised persons are required to obtain a Certificate of Registration from the Exchange without which they are not permitted to deal in securities. SEBI has directed through circular no. MIRSD/DR-1/Cir-18/09 dated November 06, 2009, that no broker shall deal with a person who is acting as an authorised person unless he is registered with Exchange and it shall be the responsibility of the member-broker to ensure that his clients are not acting in the capacity of an Authorised person unless they are registered with the Exchange as authorised person.
- 13.3 It is mandatory for member-brokers to enter into an agreement with the Authorised person. The agreement lays down the rights and responsibilities of member-brokers as well as Authorised person.

### **14. Circular pertaining to Authorised Person - SEBI**

MIRSD/ DR-1/ Cir- 16 /09 Dated November 06, 2009

#### **Sub: Market Access through Authorised Persons**

1. Pursuant to the recommendations made by the Secondary Market Advisory Committee of SEBI and discussions with major stock exchanges and with a view to expand the reach of the markets for exchange traded products, it has been decided to allow SEBI registered stockbrokers (including trading members) of stock exchanges to provide access to clients through authorized persons. The framework governing the market access through authorized persons is enclosed

at **Annexure-1**. This framework provides the minimum requirements and the stock exchanges and stockbrokers may prescribe additional requirements, as they may deem appropriate, in the interest of investors and market.

2. The stock exchanges are advised to make necessary amendments to the bye-laws, rules and regulations to implement the framework for market access through authorized persons.

3. 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 market.

## **Annexure-1 to Circular**

### **Regulatory Framework for Market Access through Authorised Persons**

#### **1. Who is an “Authorised Person”?**

Any person - individual, partnership firm, LLP or body corporate – who is appointed as such by a stockbroker (including trading member) and who provides access to trading platform of a stock exchange as an agent of the stockbroker.

#### **2. Appointment of Authorised Person**

A stockbroker may appoint one or more authorised person(s) after obtaining specific prior approval from the stock exchange concerned for each such person. The approval as well as the appointment shall be for specific segment of the exchange.

#### **3. Procedure for Appointment**

a) Stockbroker shall select a person in compliance with the criteria laid down by the Exchange and this framework for appointment as an authorized person and forward the application of the person to stock exchange for approval.

b) On receipt of the aforesaid application, the stock exchange

i. may accord approval on satisfying itself that the person is eligible for appointment as authorized person, or

ii. may refuse approval on satisfying itself that the person is not eligible for appointment as authorized person.

#### **4. Eligibility Criteria**

4.1 An individual is eligible to be appointed as authorised person if he:

a) is a citizen of India;

b) is not less than 18 years of age;

- c) has not been convicted of any offence involving fraud or dishonesty;
  - d) has good reputation and character;
  - e) has passed at least 10th standard or equivalent examination from an institution recognized by the Government; and
  - f) has the certification, as applicable to approved user / sales personnel of the respective segment, and undertakes to continue to have valid certification thereafter.
- (Stock Exchange shall prescribe appropriate certification if no such certification is prescribed under SEBI Regulations and monitor compliance.)

4.2 A partnership firm, LLP or a body corporate is eligible to be appointed as authorized person

- a) if all the partners or directors, as the case may be, comply with the requirements contained in clause 4.1 above.
- b) the object clause of the partnership deed or of the Memorandum of Association contains a clause permitting the person to deal in securities business.

4.3 The person shall have the necessary infrastructure like adequate office space, equipment and manpower to effectively discharge the activities on behalf of the stockbroker.

## **5. Conditions of Appointment**

The following are the conditions of appointment of an authorised person:

- a) The stockbroker shall be responsible for all acts of omission and commission of the authorized person.
- b) All acts of omission and commission of the authorized person shall be deemed to be those of the stockbroker.
- c) The authorized person shall not receive or pay any money or securities in its own name or account. All receipts and payments of securities and funds shall be in the name or account of stockbroker.
- d) The authorised person shall receive his remuneration - fees, charges, commission, salary, etc. - for his services only from the stockbroker and he shall not charge any amount from the clients.
- e) A person shall not be appointed as authorized person by more than one stockbroker on the same stock exchange.
- f) A partner or director of an authorised person shall not be appointed as an authorised person on the same stock exchange.
- g) The stockbroker and authorised person shall enter into written agreement(s) in the form(s) specified by Exchange. The agreement shall inter-alia cover

scope of the activities, responsibilities, confidentiality of information, commission sharing, termination clause, etc.

## **6. Withdrawal of Approval**

Approval given to an authorised person may be withdrawn by the stock exchange:

- a) on receipt of a request to that effect from the stockbroker concerned or the authorised person, subject to compliance with the requirements prescribed by the stock exchange, or
- b) on being satisfied that the continuation of authorised person is detrimental to the interest of investors or securities market or the authorised person at a subsequent date becomes ineligible under clause 4 above.

## **7. Obligations of Stockbroker**

- a) The stockbroker shall be responsible for all acts of omission and commission of his authorised person(s) and/or their employees, including liabilities arising there from.
- b) If any trading terminal is provided by the stockbroker to an authorized person, the place where such trading terminal is located shall be treated as branch office of the stockbroker.
- c) Stockbroker shall display at each branch office additional information such as particulars of authorised person in charge of that branch, timelines for dealing through authorised person, etc., as may be specified by the stock exchange.
- d) Stockbroker shall notify changes, if any, in the authorised person to all registered clients of that branch at least thirty days before the change.
- e) Stockbroker shall conduct periodic inspection of branches assigned to authorised persons and records of the operations carried out by them.
- f) The client shall be registered with stockbroker only. The funds and securities of the clients shall be settled directly between stockbroker and client and all documents like contract note, statement of funds and securities would be issued to client by stockbroker. Authorised person may provide administrative assistance in procurement of documents and settlement but shall not issue any document to client in its own name. No fund/securities of clients shall go to account of authorized person.
- g) On noticing irregularities, if any, in the operations of authorised person, stockbroker shall seek withdrawal of approval, withhold all moneys due to authorised person till resolution of investor problems, alert investors in the location where authorised person operates, file a complaint with the police, and take all measures required to protect the interest of investors and market.

## **8. Obligations of Exchange**

**a)** The stock exchange shall maintain a database of all the authorized persons which shall include the following:

- I. PAN Number of authorised person and in case of partnership or body corporate, PAN Number of all the partners or directors as the case may be.
- II. Details of the broker with whom the authorised person is registered.
- III. Locations of branch assigned to authorised person(s).
- IV. Number of terminals and their details, given to each authorised person.
- V. Withdrawal of approval of authorised person.
- VI. Change in status or constitution of authorised person.
- VII. Disciplinary action taken by the Exchange against the authorized person.

All the above details, except I above, shall be made available on web site of the stock exchanges.

**b)** While conducting the inspection of the stockbroker, the stock exchange shall also conduct inspection of branches where the terminals of authorised persons are located and records of the operations carried out by them.

**c)** Dispute between a client and an authorised person shall be treated as dispute between the client and the stockbroker and the same shall be redressed by the stock exchange accordingly.

**d)** In case of withdrawal of approval of authorised person due to disciplinary action, the stock exchange shall issue a press release and disseminate the names of such authorised persons on its website citing the reason for cancellation.

## 15 *Links for Related to Authorised Persons*

**AP Registration, Procedure for online AP registration, Surrender/ Cancellation of AP, change in name, address of AP, Change in Shareholding pattern, AP Segment Change and Issue of Duplicate Certificate of AP has been inserted below.**

- a. [Checklist forms and formats for AP registration](#)
- b. [Procedure for online AP registration](#)
- c. [Surrender/cancellation of AP registration](#)
- d. [Change in name/trade name, address, partner, director of AP](#)
- e. [Change in shareholding pattern without change in control tantamounting to change in control of AP](#)
- f. [AP Segment Change](#)
- g. [Issue of Duplicate Certificate of AP](#)

## V. Registered Investments Advisors (RIA)

### 16 Registered Investment Advisors (RIAs)- Introduction

SEBI vide its Circular no. SEBI/HO/MRD/DSA/CIR/P/2016/113 dated October 19, 2016 has allowed SEBI Registered Investment Advisors (RIAs) to use infrastructure of recognized stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/Asset Management Companies on behalf of their clients, including direct plans.

RIAs shall not handle pay-in and pay-out of funds as well as units on behalf of investors. The pay-in of funds for purchase of mutual fund units and redemption of units shall be made by the investors directly with the recognised Clearing Corporation. Similarly, the pay-out of funds upon redemption and crediting of mutual fund units purchased will be directly made by the Clearing Corporation to investor's account.

RIA's operations will be restricted to Investors on-boarding and their order placement and at no point of time will they be in custody of funds or units of the investors. Order authentication, and settlement of funds and units will be directly between BSE / ICCL.

A SEBI Registered Investment Advisor shall require registering with the Exchange for availing the use of BSE Star MF Platform.

In this regard, Exchange has issued notice no. 20161024-33 on October 24, 2016 and notice no. 20161103-11 on November 03, 2016.

The guidelines for registration as RIAs on BSE StAR MF Platform are as follows:

The Documentation and Checklist for Registration as Registered Investment Advisors ' in BSE StAR Mutual Fund Platform of BSE Limited is given below:

No.	Condition	Requirement
1	Registration with SEBI	Should hold valid SEBI Registration number
2	Membership Fee	Nil
3	One time processing fees	Nil
4	Annual fees	Nil
5	Documentation	As per point '18' below

## 17 BSE StAR MF Platform

The Securities Exchange Board of India (SEBI) vide Notice SEBI/IMD/CIR No. 11/183204/2009 dated November 13, 2009 has issued guidelines for facilitating transactions in Mutual Fund schemes through the Stock Exchange infrastructure.

Understanding the need for extending the present convenience available to secondary market investors, to the mutual fund investors, the Exchange proposed to launch the **Bombay Stock Exchange Platform for Allotment and Redemption of Mutual Fund units (BSE StAR MF)**.

All trading members of the Exchange registered with the Association of Mutual Funds of India (AMFI) as Mutual Fund Advisors and who have entered into agreements with the specific Asset Management Company (AMC) of a Mutual Fund are eligible to participate in the BSE StAR MF. For this purpose, trading members shall have to register with the Exchange as Mutual Fund Intermediaries (MFIs) by submitting an Undertaking as per the format specified.

MFIs shall abide by the operating instructions and stipulations laid down in this Notice and the Notices issued from time to time with regard to BSE StAR MF by the Exchange. Also be required to satisfy such other requirements as prescribed by SEBI, Association of Mutual Funds of India (AMFI) or any other regulatory authority for market intermediaries in the Mutual Fund industry.

Further, the MFIs shall ensure that the investors desirous of participating in the BSE StAR MF register with the MFI as a client by submitting a letter as per the format specified. All clients of the MFI shall undertake to abide by the operating instructions and stipulations laid down and other notices issued from time to time by the Exchange relating to the BSE StAR MF platform.

[BSE Notice no. 20091202-3 dated December 02, 2009](#)

Link of BSE Notice is appended below: -

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20091202-3>

List of Annexures enclosed with the BSE Notice is given below: -

Annexure no.	Particulars
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1	Operating Instructions for BSE StAR MF
2	Format of Letter & Undertaking to be given by MFI for availing the BSE StAR MF and Detailed Guidelines relating to the BSE StAR MF platform
3	Letter to be provided by the investor to the MFI for registering as a client for BSE StAR MF and detailed terms & conditions for the Clients
4	Procedure for taking registration as MFI for the BSE StAR MF platform
5	SEBI Notice SEBI/IMD/CIR No. 11/ 183204/2009 dated November 13, 2009
6	Suggested formats for Order Confirmation Note and Transaction Confirmation Note

Link for accessing separately Annexures 1, 2, 3, 4,5, and 6 is also appended below for reference.

[Annexure-1.zip](#) ;[Annexure-2.zip](#); [Annexure-3.zip](#) , [Annexure-4.zip](#); [Annexure-5.zip](#); [Annexure-6.zip](#)

### 18 *Link BSE STAR MF – Forms*

Various application forms for registration as RIA on BSE, supporting documents, Application forms by existing MFD and MFI for activation as RIA is attached below:

- a. [Application for registration as 'RIA' on BSE StAR Mutual Fund](#)
- b. [Supporting documents as per checklist](#)
- c. [Application by existing MFD for activation as RIA](#)
- d. [Application by existing MFI for activation as RIA](#)

## **VI. Mutual Fund Distributors (MFDs) MFD Model (For ARN Holders/IFAs)**

### *19 Introduction*

- 19.1 SEBI vide its circular CIR /MRD/DSA/32/2013 dated October 4, 2013 has allowed Mutual Fund Distributors to use recognized stock exchanges' infrastructure to purchase and redeem mutual fund units directly from Mutual Fund/Assets Management Companies on behalf of their clients.
- 19.2 BSE Ltd offers its platform to Mutual Fund Distributors (MFDs) to purchase and redeem mutual fund units on behalf of their clients.
- 19.3 For the aforesaid purpose, only a Mutual Fund Distributor registered with Association of Mutual Funds in India (AMFI) and who has been permitted by the concerned recognized stock exchange, shall be eligible to use recognized stock exchanges' infrastructure to purchase and redeem mutual fund units directly from Mutual Fund/ Asset Management Companies.
- 19.4 Such MF Distributors shall not handle payout and pay in of funds as well as units on behalf of investors. The pay in will be directly received by Indian Clearing Corporation Ltd (ICCL) and payout will be directly made to investor's account. In the same manner, units shall be credited and debited directly from the demat account of the investors by the ICCL.
- 19.5 BSE launched StAR MF platform for IFAs (MFD Model) on March 6, 2014.
  - a. [Application for Registration as the 'Mutual Fund Distributor' on the BSE StAR Mutual Fund](#)
  - b. [Supporting documents as per checklist](#)  
(<https://www.bseindia.com/Static/Markets/MutualFunds/MFD.aspx>)

### *20 Mutual Fund Intermediaries (MFIs)- Introduction, Process and Circulars*

20.1 BSE StAR MFTM is a browser based front end. Its architecture provides scalable operation and flexible deployment options while ensuring data integrity for improved performance. The system uses ASP.NET as browser based front-end and RDBMS as the back-end database.

20.2 The platform is feature-rich and highly flexible - it has linkups with both depositories CDSL and NSDL, facility for one-time registration of client to avoid extra

keystrokes for repeated buy/sell requests, detailed easy-to-use information on various schemes being offered through the platform and report management features.

20.3 BSE StAR MF is configured to accept both physical applications and those in Demat form. Brokers of BSE who are registered ARN (AMFI registration No.) holders are eligible to participate on this platform as Mutual fund Intermediaries (MFIs). MFIs who enter applications for investors who have chosen the Demat Option need not send any physical documents to the RTA and will retain the applications in their office along with all necessary annexures. However, where investors have opted for Physical Route, the MFIs would be required to send the physical applications along with annexures to the nearest offices of the RTA as per mutually agreed timelines.

20.4 Process-wise, on the first leg (collection of money for application /units for redemption) the BSE and its Clearing Corporation - the Indian clearing Corporation Limited (ICCL) will be responsible for sending the same to the RTAs (registrar Transfer Agents). As far as the reverse leg is concerned, i.e., sending units for purchases and money for redemptions, to the investors, it will be handled by the RTAs directly with the investors, thru physical account statements or through depositories for Demat preference. The Exchange does NOT offer any Settlement Guarantee as the respective AMC is the counterparty for all transactions. However, the BSE would handle the investor grievances, if any, related to the application process (only MFI Model). Any grievance related to the units etc. would have to be taken up by the investor with the RTA/ respective AMC.

20.5 BSE vide circular no 20211006-2 dated October 06, 2021 has discontinued usage of pool accounts for transactions in units of Mutual Funds on BSE StAR MF Platform. This circular has been issued pursuant to SEBI circular dated October 04, 2021 informing about Discontinuation of usage of pool accounts for transactions in units of Mutual Funds on the Stock Exchange Platforms.

**Link of BSE notice: -**

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20211006-2>

20.6 The Exchange has since introduced the investor friendly Systematic Investment Plan (SIP) facility on December 10, 2010 and XSIP facility in July,2012 which allows investors to invest in Mutual Funds in small affordable instalments, in a regular, disciplined and efficient manner.

All checklist and formats for registration as a Mutual Fund Intermediaries is appended in the below link: -

- a. [Registration as the 'Mutual Fund Intermediaries' on the BSE StAR Mutual Fund – checklist and formats](#)

<https://www.bseindia.com/Static/Markets/MutualFunds/MFI.aspx>

## VII. Norms for imposition of late fees, fines, and penalties

### 21 Penalty Structure for Networth Submission and Annual Returns

Frequency of filing, filing date and penalty structure has been tabulated below.

Frequency of filing	Filing date	Penalty Structure
Half Yearly Networth Certificate submission as on 31 <sup>st</sup> March	31 <sup>st</sup> May	For Late / Non-Submission of Networth Certificate & Computation of Networth-De-activation of Trading Terminals within 2 working days from the due date.
Half Yearly Networth Certificate submission as on 30 <sup>th</sup> September	30 <sup>th</sup> November	For Late / Non-Submission of Networth Certificate & Computation of Networth-De-activation of Trading Terminals within 2 working days from the due date.
Half yearly Networth Certificate submission as on 31 <sup>st</sup> March for members providing Margin trading facility to their clients	30 <sup>th</sup> April	For Late / Non-Submission of Networth Certificate & Computation of Networth-Withdrawal of Margin trading facility of Trading Members within 2 working days from the due date.
Half yearly Networth Certificate submission as on 30 <sup>th</sup> September for members providing Margin trading facility to their clients	31 <sup>st</sup> October	For Late / Non-Submission of Networth Certificate & Computation of Networth-Withdrawal of Margin trading facility of Trading Members within 2 working days from the due date.
Annual Returns and Yearly Audited Networth Submissions	31 <sup>st</sup> October	i. ₹200/- per day for first month from the due date. ii. ₹500/- per day for second month after due date till the date of submission/disablement of trading. iii. 2 weeks' notice shall be given to the Member after the 2 <sup>nd</sup> month from the due date, subsequent to which the member shall be disabled in respective segments by the Exchange.

**22. Disciplinary action in case of Networth shortfall and non-submission of Networth (Actions For Non-Compliance)**

**A. Revised timeline for submission of Half yearly Networth certificate and computation**

Member shall be required to submit the half yearly Networth as on September 30, 2022 within 2 months from the end of the respective half year. No additional time shall be provided for submission of Networth certificate.

Further, for members providing Margin trading facility to their clients, they are required to submit the H.Y. Networth within one month from the end of half year.

**B. Action for Shortfall / non-submission in Networth**

<b>ACTION FOR REPORTING SHORTFALL IN NETWORTH</b>	
For Trading members and Trading cum Self-clearing members	<p><b>Requirement:</b> In case of a Net Worth shortfall as on 31st March / 30th September, Members shall be required to mandatorily submit on BEFS, a revised certificate (as on a later date) along with the submission, meeting the minimum net worth requirement.</p> <p><b>Action in case of shortfall and failure to submit revised certificate with adequate Net worth:</b> Member’s trading rights shall be immediately disabled within 2 working days from the date of submission, in all segments of the Exchange.</p>
For Trading cum Clearing members	<p><b>Requirement:</b> In case of a Net Worth shortfall as on 31st March / 30th September, Members shall be required to mandatorily submit on BEFS, a revised certificate (as on a later date) along with the submission, meeting the minimum net worth requirement.</p> <p><b>Action in case of shortfall and failure to submit revised certificate with adequate Net worth:</b> <u>A. In the capacity of Trading Member</u> Member’s trading rights shall be immediately disabled within 2 working days in all segments of the Exchange.</p>

	<p><u><i>B. In the capacity of Clearing Member</i></u> One-month notice to be given to recoup the Networth and submit the revised Networth, failing which the following action shall be initiated:</p> <ul style="list-style-type: none"> <li>• Total deposits shall be blocked in accordance with % of shortfall as given in Section C below. No Exposure shall be permitted on such blocked deposit</li> <li>• Restriction on onboarding new Trading Members.</li> <li>• 2-months’ notice to be given to the TMs affiliated with the Clearing member to associate with another Clearing member.</li> </ul>
<p>Members providing Margin Trading Facility</p>	<p><b>Requirement:</b> In case of a Net Worth shortfall as on 31st March / 30th September, Members shall be required to mandatorily submit on BEFS, a revised certificate (as on a later date) along with the submission, meeting the minimum net worth requirement.</p> <p><b>Action in case of shortfall and failure to submit revised certificate with adequate Net worth:</b></p> <p>Immediate withdrawal of Margin Trading facility within 2 working days from the date of submission.</p>

<b>ACTION FOR NON-SUBMISSION</b>	
<p>For Trading members and Trading cum Self-clearing members</p>	<p>Immediate disablement within two working days in case of non-submission of Networth within 2 months from the end of the half year</p>
<p>For Trading cum Clearing member</p>	<p>The following actions shall be taken on immediate basis if the Networth is not submitted within 2 months from the end of the half year.</p> <p><u><i>A. In the capacity of Trading Member</i></u> Member’s trading rights shall be immediately disabled in all segments of the Exchange.</p> <p><u><i>B. In the capacity of Clearing Member</i></u></p> <ul style="list-style-type: none"> <li>• 90% of Total deposits shall be blocked. No Exposure shall be permitted on such blocked deposit</li> <li>• Restriction on onboarding new Trading Members.</li> </ul>

	<ul style="list-style-type: none"> <li>2-months' notice to be given to the TMs affiliated with the Clearing member to associate with another Clearing member.</li> </ul>
Members providing Margin Trading Facility	Immediate withdrawal of Margin Trading facility within 2 working days post the due date.

**C. Blocking of Deposits**

In case of clearing Members of Capital Market, F&O, Currency Derivatives, Commodity and Debt Segments

<b>Category</b>	<b>Deposit to be blocked</b>
Networth shortfall less than or equal to 10% of the prescribed minimum	10% of Total Deposits (cash and collateral)
Networth shortfall less than or equal to 20% of the prescribed minimum.	25% of Total Deposits (cash and collateral)
Networth shortfall less than or equal to 50% of the prescribed minimum.	50% of Total Deposits (cash and collateral)
Networth shortfall greater than 50%	90% of Total Deposits (cash and collateral)

The following norms for levying fines have been laid down for change in composition of designated/ordinary directors without prior approval of Exchange/Intimation (refer BSE notice no.20060530-8 dt.30/05/2006)

<p><b>Fine / Penalty Structure</b></p> <p>a)Change in Ordinary Director/s without intimation: Fine of ₹ 3000/- per director</p> <p>b)Change in Designated Director/s without approval: Fine of ₹ 5000/- per director</p>
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(Please refer BSE notice no.20060530-8 dated May 30, 2006)

<b>Violations</b>	<b>One or few instances</b>	<b>Multiple Instances</b>	<b>Similar violations observed (refer BSE notice no. 130706/2002 dt.31/07/2002)</b>
Change in the paid-up capital/ shareholding pattern of the company without prior approval of the Exchange & SEBI	Warning	₹5000.00	₹10,000.00
Change in shareholding pattern tantamount to change in control without the approval of the Exchange	₹1,00,000	₹1,50,000.00	₹2,00,000.00

(Please refer BSE notice no.130706/2002 dated July 31, 2002)

## VIII. SEBI Circulars from January 01, 2022 to March 31, 2023 pertaining to Stockbrokers – Membership

23. *Gazette Notification of SEBI (Stockbrokers) (Amendment) Regulations, 2022*  
Gazette Notification No. SEBI/LAD-NRO/GN/2022/73 dated February 23, 2022, issued by SEBI and the amended SEBI (Stockbrokers) (Amendment) Regulations, 2022.

**Link to the BSE notice: -**

**<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20220310-8>**

### *23.1 Clarification to Gazette Notification of SEBI (Stockbrokers) (Amendment) Regulations, 2022*

Reference to Exchange circular no 20220310-8 dated March 10, 2022, pertaining to SEBI Gazette Notification No. SEBI/LAD-NRO/GN/2022/73 dated February 23, 2022.

As specified in the 'Table 1' of the said circular, the revised Networth requirement as stated therein would be applicable to the Members from February 23, 2023 and February 23, 2024 respectively as per the aforesaid SEBI gazette notification.

Members are requested to adhere and comply with the applicable Networth (i.e., higher of the Base Networth or Variable Networth) as stated in the aforesaid SEBI gazette notification with effect from February 23, 2023.

Accordingly, Members are requested to note that the reporting requirement as per the above-mentioned SEBI gazette notification would be applicable from Half Yearly Networth submission for March 31, 2023 onwards. The period to be considered for ascertaining Variable Networth as on March 31, 2023, would be the previous six months i.e., October 01, 2022 to March 31, 2023.

The applicable formats for Networth submission and FAQs are provided as per the below mentioned Annexures:

<b>Annexure</b>	<b>List of Documents</b>
Annexure I	Revised Networth requirement & Formats for Networth submission. <b>Refer Annexure I</b> (link provided below) <a href="https://www.bseindia.com/markets/MarketInfo/Download">https://www.bseindia.com/markets/MarketInfo/Download</a>

	<a href="https://www.bseindia.com/markets/MarketInfo/DownloadAttach.aspx?id=20230203-19&amp;attachedId=4e93185e-ba17-4a27-bd67-f57030e90fe9">dAttach.aspx?id=20230203-19&amp;attachedId=4e93185e-ba17-4a27-bd67-f57030e90fe9</a>
Annexure II	FAQs on clarification ascertaining Networth as per said SEBI Gazette Notification <b>Refer Annexure II</b> (link provided below) <a href="https://www.bseindia.com/markets/MarketInfo/DownloadAttach.aspx?id=20230203-19&amp;attachedId=f17fba69-6555-485b-b07b-7f68e8309a0e">https://www.bseindia.com/markets/MarketInfo/DownloadAttach.aspx?id=20230203-19&amp;attachedId=f17fba69-6555-485b-b07b-7f68e8309a0e</a>

BSE circular dated February 03, 2023 (link provided below)

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230203-19>

**24. Guidelines for seeking NOC by Stockbrokers / Clearing Members for setting up Wholly Owned Subsidiaries, Step Down Subsidiaries, Joint Ventures in GIFT IFSC**

SEBI Circular no. SEBI/HO/MIRSD/DoR/P/CIR/2022/61 dated May 13, 2022

**Link to the BSE notice: -**

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20220516-7>

**25. GST on fees payable to SEBI**

The Department of Revenue, Ministry of Finance vide Notification no. 04/2022 Central Tax (Rate) dated July 13, 2022, notified that the GST exemption granted to the services provided by SEBI is being withdrawn, accordingly, the services provided by SEBI shall be subject to GST with effect from July 18, 2022.

**Link to the BSE notice: -**

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20220718-3>

**26. Procedure for seeking prior approval for change in control**

SEBI circular reference no. CIR/MIRSD/14/2011 dated August 02, 2011 and BSE notice bearing reference no. 20110808-8 dated August 08, 2011, SEBI circular reference no. SEBI/HO/MIRSD/ MIRSD-PoD-2/P/CIR/2022/163 dated November 28, 2022.

**Link to the BSE notice: -**

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20221130-22>

27. *New process of Stamp Duty Refund - Gift City Gujarat*

**Link to the BSE notice: -**

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20221209-37>

28. *Amendment to Securities Lending Scheme, 1997*

**Link to the BSE notice: -**

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230331-5>

## IX. General Guidelines For Trading Members

### 29. *Implementation of Two Factor Authentication*

Trading Member's attention is drawn to SEBI circular SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018, on Cyber Security & Cyber Resilience framework for Stockbrokers, wherein all Trading Members were required to mandatorily implement two-factor authentication on application offered by Members to customers through Internet Based Trading (IBT) and Securities Trading through Wireless Technology (STWT).

In joint consultation with SEBI and Exchanges, it is hereby clarified that, in addition to user ID, Trading Members shall preferably use biometric authentication as one of the authentication factors, along with any one of the below-mentioned factors:

1. Knowledge factor (something only the user knows): - for e.g., Password, PIN.
2. Possession factor (something only the user has): - for e.g., OTP, security token, authenticator apps on smartphones etc. In case of OTP, the same should be sent to clients through both email and SMS on their registered email ID and Mobile number.

In cases, where biometric authentication is not possible, Trading Members shall use both the aforementioned factors (Knowledge factor and Possession factor), in addition to the user ID, for 2-factor authentication (2FA). It is to be noted that the abovementioned authentication shall be implemented on every login session by the client to IBT and STWT.

**Link to the BSE notice: -**

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20220614-5> dated June 14, 2022

### 30. *Restriction on use of certain words by Trading Member / Authorized Person in their name.*

30.1 The name of Trading Member/Authorized Person should reflect the registration held by the entity and should not in any way create an impression of performing a role for which the entity is not registered.

30.2 Certain Trading Members/ Authorized Persons are using words such as Advisors, Asset/ Wealth/ Portfolio Management etc. in their name which is misleading and may indicate to the clients/ investors that the Trading Members/ Authorized Persons are registered for offering services other than broking services even though they did not have the applicable registration for those services with SEBI/other regulators.

30.3 The indicative list of names/words which are not permitted to be used in the name of Trading Members/ Authorized Persons is mentioned below.

30.4 Members are advised to ensure that their name and the name of their registered Authorized Persons should not contain such words unless these entities have registered themselves in that capacity with SEBI/other regulators. However, it may be noted that the list provided is illustrative and not exhaustive.

30.5 Members are advised to ensure the compliance of the above and in case, their name or the name of their registered Authorized Persons uses such nomenclature, then they are required to get their name changed with Registrar of Companies (ROC)/Registrar of Firms (ROF) and also in Exchange records by March 31, 2024.

Refer BSE Notice dated March 17, 2023 (link provided below)

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20230317-26> dated March 17, 2023

**List of Non permissible words in name of Trading Members and Authorized Persons is mentioned below for easy reference**

Sr. No	Non-permissible words	Sr. No	Non- permissible words
1	Adviser/Advisor	32	Mutual Funds
2	Advisory Services	33	Portfolio
3	Asset	34	Portfolio Advisory
4	Asset Advisory	35	Portfolio Consultancy
5	Asset Consultancy	36	Portfolio Consultants
6	Asset Distribution	37	Portfolio Management
7	Asset Management	38	Portfolio Manager
8	Asset Manager	39	Portfolio Services
9	Asset Services	40	Prime Wealth
10	Assets Consultants	41	Wealth

<b>Sr. No</b>	<b>Non-permissible words</b>	<b>Sr. No</b>	<b>Non- permissible words</b>
11	Capital Adviser/Advisor	42	Wealth Adviser/s or Wealth Advisor/s
12	Capital Management	43	Wealth Advisory
13	Capital Services	44	Wealth Advisory Services
14	Corporate Advisory	45	Wealth Care
15	Financial Planner/s	46	Wealth Chanakya
16	Financial Planning	47	Wealth Consultancy
17	Fund Adviser/Advisor	48	Wealth Consultants
18	Fundmart	49	Wealth Consulting
19	Independent Financial Adviser/IFA	50	Wealth Creator/s
20	Investmart	51	Wealth Express
21	Investment Adviser/Advisor	52	Wealth Investments
22	Investment Consultancy	53	Wealth Mall
23	Investment Consultancy Services	54	Wealth Management
24	Investment Consultant/s	55	Wealth Manager/s
25	Investment Consulting	56	Wealth Planner
26	Investment Manager/s	57	Wealth Plus
27	Investment Planners	58	Wealth Services
28	Investment Solutions	59	Wealth Solution/s
29	Money Manager	60	Wealth Vision
30	Multi Wealth Investments	61	Wealth Yantra
31	Mutual Fund Services		

## X. Circulars on Technical Glitches

### 31. *Guidelines on Technical Glitches to prevent business disruptions*

Members of the Exchange, through various circulars, guidelines, issued from time to time, have been required to put in place various measures / controls, to prevent system failures and to ensure provision of seamless service/facilities to their clients.

In furtherance to the above, in consultation with SEBI and other Exchanges, it has been decided to issue guidelines/ Standard Operating Procedure (SOP) for handling technical glitches at Members end as well as provide a framework for Business Continuity Planning (BCP)/Disaster Recovery (DR).

([Annexure A - Guidelines for handling technical glitches.pdf](#)) and shall be effective from in accordance with para VII.

**Link to the BSE notice: -**

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20211215-63> dated December 15, 2021

### 32. *Framework to address the 'Technical Glitches' in Stockbrokers' Electronic Trading Systems*

SEBI circular reference no. SEBI/HO/MIRSD/TPD-1/P/CIR/2022/160 dated November 25, 2022, and BSE notice no. 20211215-63 dated December 15, 2021 regarding the Framework to Address the 'Technical Glitches' in Stockbrokers' Electronic Trading Systems.

The aforesaid SEBI circular is enclosed herewith.

<https://www.bseindia.com/markets/MarketInfo/DownloadAttach.aspx?id=2021202-60&attachedId=9bdcc40d-b2e7-4d5d-b7e6-5732dcc802a0>

**Link to the BSE notice: -**

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20221202-60> dated December 02, 2022

### 33. *Framework to address the 'Technical Glitches' in Stockbrokers Electronic Trading Systems - Guidelines*

Member's attention is drawn to SEBI circular SEBI/HO/MIRSD/TPD-1/P/CIR/2022/160 dated November 25, 2022, on Framework to address the 'Technical Glitches' in Stockbrokers' Electronic Trading System.

Members of the Exchange, through various circulars, and guidelines, issued from time to time, have been required to put in place various measures/controls, to prevent system failures and to ensure the provision of seamless service/facilities to their clients.

In furtherance to the above, in consultation with SEBI and other Exchanges, it has been decided to issue guidelines/ Standard Operating Procedure (SOP) for handling technical glitches at the Members end as well as provide a framework for Capacity Planning, Software Testing, Change management and Business Continuity Planning (BCP)/Disaster Recovery (DR).

The guidelines, as stated in the SEBI circular SEBI/HO/MIRSD/TPD-1/P/CIR/2022/160 dated November 25, 2022, have been mentioned in '**Annexure-A**' and are applicable to all members providing 'Internet and Wireless technology-based trading facility' (IBT/STWT) to their clients.

In specific, points 4.iii, 5.i, 5.ii, 5.iii, 6.iii, 6.viii, 6.xi and 6.xii are only applicable to 'Specified Members', over and above the other points as stated in 'Annexure A'.

The top 20 Members registered with the Exchange, having the most Internet and Wireless technology-based clients are classified as '**Specified Members**' for this purpose.

'**Specified Members**' shall be communicated with the additional details of the circular in due course, by the Exchange.

#### **Link to the BSE notice :-**

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20221216-52> dated December 16, 2022

[Annexure A.pdf](#) ; [Annexure C.pdf](#) ; [Annexure B - Reporting Format.xls](#) ;

Earlier References:

SEBI Circular: SEBI circular SEBI/HO/MIRSD/TPD-1/P/CIR/2022/160 dated November 25, 2022 BSE Notice: 20221202-60 Dated 02 December 2022

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20221202-60> dated December 02, 2022

**34. Identification of Specified Members for the framework on 'Technical Glitches'**

Member's attention is drawn to SEBI Circular no. SEBI/HO/MIRSD/TPD-1/P/CIR/2022/160 dated November 25, 2022, and Exchange circular Ref. no. 20221216-52 dated December 16, 2022, on Framework to address the Technical Glitches in Stockbrokers' Electronic Trading System wherein the Stock Exchanges were directed by SEBI to identify the 'Specified Members'.

In adherence to the above and in consultation with other Exchanges, 35 Trading Members have been identified as 'Specified Members'. The list is enclosed herewith as 'Annexure A'

<https://www.bseindia.com/markets/MarketInfo/DownloadAttach.aspx?id=20230310-67&attachedId=e4a7c173-c3f6-4d15-8ba0-a1dcb10d5ba0>

**Link to the BSE notice: -**

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCircular.aspx?page=20230310-67> dated March 10, 2023