



**SEBI Issues Circular in Regard to Master
Circular by Stock Exchanges, Clearing
Corporations and Depositories**

On 20th April 2023, the Securities and Exchange Board of India (SEBI) Issued a Circular in Regard to Master Circulars by Stock Exchanges, Clearing Corporations and Depositories.

Stock Exchanges, Clearing Corporations and Depositories (hereinafter collectively referred to as 'Market Infrastructure Institutions (MIIs)') communicate with market participants, including investors, on a regular basis by way of circulars, directions, operating instructions, communique or any other mode of communication (hereinafter collectively referred to as 'guidelines') for necessary compliance. This has led to a plethora of guidelines by the MIIs on various subjects.

Due to the issuance of such guidelines of varied nature and based on the feedback received from the market participants, to ensure that all market participants, including investors, find all applicable provisions on a specific subject at a place, the MIIs shall ensure the following -

- Issue the respective Master Circulars consolidating all guidelines issued and applicable as on March 31 of every year, segregated subject-wise.
- Take due care to include only the relevant guidelines in the respective Master Circular while reviewing all the existing guidelines on a particular subject.
- Such Master Circular shall not include the following:
 - i. Bye-laws, Rules and Regulations issued by MIIs.
 - ii. Status of any compliance by the market participant.
 - iii. Actions taken against any entity.
- Each Master Circular shall contain a list of all guidelines incorporated therein as well as a provision rescinding all such guidelines with effect from the date of implementation of the Master Circular. All such rescinded guidelines shall be archived on the respective websites of the MIIs.
- The Master Circulars shall contain a savings clause as under -
 - “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 - a. Anything done or any action taken or purported to have been done or contemplated under the rescinded guidelines before the commencement of this Master Circular shall be deemed to have been done or taken or commenced or contemplated under the corresponding provisions of the Master Circular or rescinded guidelines whichever is applicable.*

b. The previous operation of the rescinded guidelines or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the rescinded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.”

The first Master Circular incorporating all the guidelines applicable on 31st March 2023 shall be issued on or before 30th June 2023. Subsequently, MIIs shall update the Master Circular incorporating all guidelines issued during the financial year and issue the same on or before 30th April of each year.

The MIIs are directed to:

- Make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately;
- Disseminate each Master Circular on their website and bring the same to the notice of all stakeholders, including the Members, Depository Participants and investors.

This circular is issued through the exercise of powers as conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992, to be read with Section 10 of the Securities Contracts (Regulation) Act, 1956 and Section 26(3) of the Depositories Act, 1996, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.

Official Notification Attached [Here](#)



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