



**SEBI Issues Consultation Paper in Regard to the  
Institutional Mechanisms for Stock Brokers to  
Ensure the Prevention and Detection of Fraud or  
Market Abuse**



On 07th February 2023, the Securities Exchange Board of India (SEBI), issued a Consultation Paper on the institutional mechanisms for Stock Brokers to ensure the prevention and detection of fraud or market abuse.

This consultation paper aims towards Preventing/ detecting fraud or market abuse as a key pillar of investor protection.

The following have been proposed namely -

a) Broker Senior Management Oversight over Surveillance

b) Setting up robust surveillance systems

c) Escalation and reporting mechanism

d) Whistleblower policy

It has also proposed a Guidance Note for detecting and preventing fraud or market abuse which is divided into parts namely -

a) An indicative list of some of most the common market abuse practices along with factors to be considered when assessing such practices.

b) An indicative list of entities that should be surveilled, controls for monitoring, and risks arising out of potential fraud or market abuse covered;

c) Accountability matrix.

Public comments are invited for the aforesaid proposals the comments/suggestions may be provided as MS Excel files as per the format attached

Comments as per format may be sent to the following, at the latest by 21st February 2023, in any of the following manners -

(i) Preferably by email to Ms. Aradhana Verma at [aradhanad@sebi.gov.in](mailto:aradhanad@sebi.gov.in)

(ii) By post to: Ms. Aradhana Verma Deputy General Manager, Market Intermediaries Regulation and Supervision Department Securities and Exchange Board of India, SEBI Bhavan II, Plot No. C/7, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051



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