

CIRCULAR

SEBI/HO/MIRSD/DOP/P/CIR/2021/559

April 29, 2021

To,

- 1. All Recognised Stock Exchanges and Clearing Corporations**
- 2. All Depositories**
- 3. Trading members / Clearing Members through Stock Exchanges / Clearing Corporations**
- 4. Depository Participants through Depositories**
- 5. KYC Registration Agencies**

Madam / Sir,

Subject: Relaxation in timelines for compliance with regulatory requirements

1. In view of the situation arising due to COVID-19 pandemic, lockdown imposed by the Government and representations received from Stock Exchanges, SEBI had earlier provided relaxations in timelines for compliance with various regulatory requirements by the trading members / clearing members / depository participants, vide circular nos. SEBI/HO/MIRSD/DOP/CIR/P/2020/61 dated April 16, 2020, SEBI/HO/MIRSD/DOP/CIR/P/2020/62 dated April 16, 2020, SEBI/HO/MIRSD/DOP/CIR/P/2020/68 dated April 21, 2020 and SEBI/HO/MIRSD/DOP/CIR/P/2020/72 dated April 24, 2020.
2. Later, vide circular nos. SEBI/HO/MIRSD/DOP/CIR/P/2020/82 dated May 15, 2020, SEBI/HO/MIRSD/DOP/CIR/P/2020/101 dated June 19, 2020, SEBI/HO/MIRSD/DOP/CIR/P/2020/112 dated June 30, 2020, SEBI/HO/MIRSD/DOP/CIR/P/2020/141 dated July 29, 2020, SEBI/HO/MIRSD/DOP/CIR/P/2020/142 dated July 29, 2020, SEBI/HO/MIRSD/DOP/CIR/P/2020/191 dated October 01, 2020, SEBI/HO/MIRSD/DOP/CIR/P/2020/235 dated December 01, 2020 and SEBI/HO/MIRSD/DOP/CIR/P/2020/255 dated December 31, 2020, timelines / period of exclusion were further extended for certain compliance requirements.
3. In view of the prevailing situation due to Covid-19 pandemic and representation received from the Association of National Exchanges Members of India (ANMI), Stock Exchanges and Depositories, it has been decided to extend the timelines for

compliance with the following regulatory requirements by the Trading Members / Clearing Members / Depository Participants / KYC Registration Agencies, as under:

| S. No. | Compliance | Extended timeline / Period of exclusion |
|---------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Maintaining call recordings of orders / instructions received from clients. | Till June 30, 2021 |
| 2. | KYC application form and supporting documents of the clients to be uploaded on system of KRA within 10 working days. | Till June 30, 2021, documents may be uploaded on to the system of KRA within 15 working days. *A 30-day time period is provided to SEBI Registered Intermediary after June 30, 2021 to clear the backlog |
| 3. | Issue of Annual Global Statement to clients. | Till June 30, 2021. *Relaxation is provided only if the client has requested for a physical statement. |
| 4. | Submission of Internal Audit Report for HYE March-2021 | Till July 31, 2021 |
| 5. | Net worth certificate in Margin Trading for CM Segment for HYE March 31, 2021 | Till July 31, 2021 |
| 6. | Net worth certificate for all members for HYE March 2021. | Till July 31, 2021 |
| 7. | Reporting of Risk based supervision | Till July 31, 2021 |
| 8. | Risk Assessment Template | Till July 31, 2021 |
| 9. | Reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications | Till July 31, 2021 |
| 10. | Client Funding Reporting | Till June 30, 2021 |

| | | |
|-----|------------------------------------------------------------------------------------------------|--------------------|
| 11. | Submission of System Audit Report for the period ended March 2021 | Till July 31, 2021 |
| 12. | Submission of Cyber Security & Cyber Resilience Audit Report for the period ended March 2021 | Till July 31, 2021 |
| 13. | To operate the trading terminals from designated alternate locations. | Till June 30, 2021 |
| 14. | Compliance certificate for Margin Trading for CM Segment for HY ended March 31, 2021 | Till July 31, 2021 |
| 15. | System Audit /Cyber Audit Report – Algo / Type III Members for the period ended March 31, 2021 | Till July 31, 2021 |
| 16. | Action taken/follow-on audit report for System Audit /Cyber Audit Report for 2019-20 | Till July 31, 2021 |

Relaxation in time period for certain activities carried out by Depository Participant:

| S. No. | Compliance | Extended timeline / Period of exclusion |
|--------|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | BO Grievances Report | Till May 31, 2021 for the month of April 2021 and till June 30, 2021, for the month of May 2021. |
| 2. | Redressal of investor grievances | During period from April 01, 2021 to June 30, 2021 timeline permitted for redressal of grievances extended to 30 days. |
| 3. | Closure of demat account | During period from April 01, 2021 to June 30, 2021 may be excluded in timelines of 30 days provided no charges shall be levied for the period after receipt of closure request. |
| 4. | Processing of the demat requests | During period from April 01, 2021 to July 31, 2021 timeline of 15 days |

4. Stock Exchanges / Clearing Corporations and Depositories are directed to bring the provisions of this circular to the notice of their members / participants and also disseminate the same on their websites.
5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Section 19 of the Depositories Act to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully

Narendra Rawat
General Manager
Market Intermediaries Regulation and Supervision Department