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SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 5th July, 2011

SECURITIES AND EXCHANGE BOARD OF INDIA

(BANKERS TO AN ISSUE) (AMENDMENT) REGULATIONS, 2011

No. LAD-NRO/GN/2011-12/12/21225 - In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to amend the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, namely:-

1. These Regulations may be called the Securities and Exchange Board of India (Bankers to an Issue) (Amendment) Regulations, 2011.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In regulation 2, in clause (ac), after the word “certificate of” and before the words “registration issued by the Board” the words “initial or permanent” shall be inserted.
4. In regulation 3, -
 - (i) in the marginal note, after the word “certificate” the words “of initial registration” shall be inserted;
 - (ii) in sub-regulation (1), after the word “certificate” and before the words “as banker to an issue” the words “of initial registration” shall be inserted.

5. Regulation 7 shall be substituted as follows, namely: -

“7. Grant of certificate of initial registration.

(1) The Board, on being satisfied that the applicant is eligible, shall send an intimation to the applicant, within one month of such satisfaction, that it has been found eligible for grant of certificate of initial registration and grant a certificate in Form B.

(2) The certificate of initial registration granted under sub-regulation (1) shall be valid for a period of five years from the date of its issue to the applicant.

(3) The banker to an issue who has already been granted certificate of registration by the Board, prior to the commencement of the Securities and Exchange Board of India (Bankers to an Issue) (Amendment) Regulations, 2011, and has not completed a period of three years, shall be deemed to have been granted a certificate of initial registration for a period of five years from the date of its certificate of registration, subject to payment of fee for the remaining period of two years, as specified in Schedule II of these regulations.

(4) The grant of a certificate of initial registration shall be subject to payment of the registration fee as specified in Schedule II of these regulations.”

6. After regulation 7, a new regulation shall be inserted, namely:-

“7A. Grant of certificate of permanent registration.

(1) The banker to an issue who has been granted or deemed to have been granted a certificate of initial registration under regulation 7, may, three months before the expiry of the period of certificate of initial registration, make an application for grant of a certificate of permanent registration in Form A.

(2) The banker to an issue who has already been granted a certificate of registration by the Board and has completed a period of five years, on the date of commencement of the Securities and Exchange Board of India (Bankers to an Issue) (Amendment) Regulations 2011, may, three months before the expiry of validity of certificate of registration or before, make an application for grant of a certificate of permanent registration in Form A.

(3) An application under sub-regulation (1) or sub-regulation (2) shall be accompanied by non-refundable application fee as specified in Schedule II of these regulations.

(4) The application for grant of a certificate of permanent registration shall be accompanied by details of the changes that have taken place in the information that was submitted to the Board while seeking initial registration or renewal, as the case may be, and a declaration stating that no changes other than those as mentioned in such details have taken place.

(5) The application for permanent registration made under sub-regulation (1) or (2) shall be dealt with in the same manner as if it were a fresh application for grant of a certificate of initial registration.

(6) The Board, on being satisfied that the applicant is eligible, shall grant a certificate of permanent registration in Form B and shall send an intimation to the applicant.

(7) The grant of a certificate of permanent registration shall be subject to payment of fees specified in Schedule II of these regulations.”

7. Regulation 8 shall be omitted.

8. In regulation 8A, in sub-regulation (1), -

- i. in the opening sentence the words and figure “registration granted under regulation 7 or any renewal granted under regulation 8” shall be substituted with the words and figures “initial registration granted under regulation 7 or permanent registration granted under regulation 7A”;
- ii. in clause (c), the words “registration or renewal” shall be substituted with the words “initial or permanent registration”.

9. Regulation 8B shall be omitted.

10. In regulation 9, -

- i. in sub-regulation (1), the words and figure “under regulation 3 or of renewal under regulation 8” shall be substituted with the words and figures “of initial registration under regulation 3 or of permanent registration under regulation 7A”;
- ii. in sub-regulation (2), the words “refusal to grant or renew registration” shall be substituted with the words “refusal to grant initial or permanent registration, as the case may be,”.

11. Regulation 10 shall be substituted with the following, namely: -

“10. Effect of refusal to grant certificate of permanent registration.

A banker to an issue whose application for grant of certificate of permanent registration has been refused by the Board, on and from the date of the receipt of the communication, shall cease to carry on any activity as banker to an issue:

Provided that the Board may, in the interest of the investors of the securities market, permit to carry on activities undertaken prior to the

receipt of the intimation of refusal subject to such condition as the Board may specify.”

12. In regulation 11, in sub-regulation (1), after the word “certificate” and before the words “shall pay such fees” the words “of initial or permanent registration, as the case may be,” shall be inserted.

13. In Schedule I, -

i. in Form A, -

- a. the word and figure “Regulation 3” shall be substituted with the words, figures and sign “Regulation 3/ Regulation 7A”.
- b. the words and sign “Application for grant/ renewal of certificate of registration as bankers to the Issue” shall be substituted with the words and sign “Application for Grant of Certificate of Initial/ Permanent Registration as Banker to the Issue”.

ii. in Form B, -

- a. the word and figure “Regulation 7” shall be substituted with the words, figures and sign “Regulation 7 / Regulation 7A”.
- b. the words “Certificate of Registration” shall be substituted with the words and sign “Certificate of Initial/ Permanent Registration”
- c. paragraph III shall be substituted with the following, namely:-

“III. This certificate of registration shall be valid from to / for permanent, unless suspended or cancelled by the Board.”

14. In Schedule II, -

- i. paragraph 1 and 2 shall be substituted with the following paragraphs, namely:-

“1. Every banker to an issue shall pay fees of thirteen lakh thirty three thousand and three hundred rupees at the time of grant of certificate of initial registration.

1A. A banker to an issue referred to under sub-regulation (3) of regulation 7, shall pay fee for the remaining period of two years on *pro rata* basis of the fees prescribed under paragraph 2.

2. A banker to an issue who has been granted a certificate of permanent registration, to keep its registration in force, shall pay fees of five lakh rupees every three years from the sixth year from the date of grant of certificate of initial registration, or from completion of the period of renewed certificate of registration, as the case may be.”

ii. in paragraph 3, -

a. after clause (a), a new clause shall be inserted, namely: -

“(aa) The fees referred to in paragraph 1A shall be paid by the banker to an issue within a period of three months before completion of the period of three years from the date of grant of certificate of initial registration, or within a period of three months from the date of notification of these regulations, as the case may be.”;

b. clause (b) shall be substituted with the following, namely: -

“(b) The fee referred to in paragraph 2 shall be paid by the banker to an issue, at the time of grant of permanent registration, within fifteen days from the date of receipt of intimation from the Board under sub-regulation (6) of regulation 7A and thereafter the fee shall be paid three months before expiry of the block for which fee has been paid.”

iii. in paragraph 3A, the words “renewal of registration under sub-regulation (1A) of regulation 8” shall be substituted with the words “permanent registration under sub-regulation (1) or sub-regulation (2) of regulation 7A”;

iv. in paragraph 4, the word and figures “1, 2 and 3A” shall be substituted with the word and figures “1, 1A, 2 and 3A”.

U. K. SINHA

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Footnotes :

1. The principal regulations Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 were published in Official Gazette of India on July 14, 1994 vide F.No.SEBI/LE/7/94.
2. The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 was subsequently amended on:
 - (a) November 28, 1995 by Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 1995 vide No. S.O. 939 (E);
 - (b) January 5, 1998 by Securities and Exchange Board of India (Bankers to an Issue) (Amendment) Regulations, 1998 vide No. S.O. 15 (E).
 - (c) September 30, 1999 by Securities and Exchange Board of India (Bankers to an Issue) (Amendment) Regulations, 1999 vide No. S.O. 800 (E).
 - (d) March 28, 2000 by Securities and Exchange Board of India (Appeal to Securities Appellate Tribunal) (Amendment) Regulations, 2000 vide No. S.O. 278 (E).
 - (e) May 29, 2001 by Securities and Exchange Board of India (Investment Advice by Intermediaries) (Amendment) Regulations, 2001 vide No. S.O. 476 (E).
 - (f) September 27, 2002 by Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 vide No. S.O. 1045 (E).
 - (g) October 1, 2003 by Securities and Exchange Board of India (Bankers to an Issue) (Amendment) Regulations, 2003 vide No. S.O. 1159 (E).
 - (h) March 10, 2004 by the Securities and Exchange Board of India (Criteria for Fit and Proper Person) Regulations, 2004 vide S.O. No. 398(E).
 - (i) September 7, 2006 by the Securities and Exchange Board of India (Bankers to an Issue) (Amendment) Regulations, 2006 vide S.O No.1449 (E).
 - (j) May 26, 2008 by the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 vide Notification No. LAD/NRO/GN/2008/11/126538.
 - (k) April 13, 2011 by the Securities and Exchange Board of India (Change in Conditions of Registration of Certain Intermediaries) (Amendment)

Regulations, 2011 vide Notification No. LAD/ NRO/ GN/ 2011-12/03/12650.
