

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2020/61

April 16, 2020

To,

All Recognised Stock Exchanges and Clearing Corporations (including those in International Financial Services Centres)

Madam / Sir,

Subject: Relaxation in timelines for compliance with regulatory requirements by trading members / clearing members

1. In view of the situation arising due to COVID-19 pandemic and extended lockdown period, based on representations received from Stock Exchanges, it has been decided to extend the due date for the following regulatory filings and compliance requirements by their trading members / clearing members:

S. No.	Compliance	Due Date	Extended date	SEBI Circular Reference
I.	Client Funding Reporting.	08-Apr-20	31-May-20	SEBI letter dated July 16, 2004.
II.	Reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications.	15-Apr-20	31-May-20	SEBI/HO/MIRSD/DOS2/CIR/P/2019/10 dated January 4, 2019.
III.	Compliance certificate for Margin Trading for CM Segment.	30-Apr-20	30-Jun-20	CIR/MRD/DP/54/2017 dated June 13, 2017.
IV.	Risk based supervision.	31-May-20	30-Jun-20	-
V.	Internal Audit Report for half year ending (HYE) March 31, 2020.	31-May-20	30-Jun-20	MIRSD/ DPSIII/ Cir-26/ 08 dated August 22, 2008, MRD/DMS/Cir-29/2008 dated October 21,2008, SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/ 95 dated September 26, 2016 and SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/ 138 dated December 20, 2016 on Enhanced Supervision of Stock Brokers (the due date for the submission of internal Audit report was made within two months from the end of half year)
VI.	System Audit Report (Algo).	30-Jun-20	31-Jul-20	CIR/MRD/DP/ 16 /2013 dated May 21, 2013.
VII.	System Audit Report.	30-Jun-20	31-Jul-20	CIR/MRD/DMS/ 34 /2013 dated November 6, 2013.

VIII.	Net worth certificate in Margin Trading for CM Segment for HYE March 31, 2020.	30-Apr-20	30-Jun-20	SEBI/MRD/SE/SU/Cir-15/04 dated March 19, 2004.
IX.	Net worth certificate for all members for HYE March 2020.	31-May-20	30-June-20	SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 (the due date for the submission of networth certificate was made within 60 days from the end of half year).
X.	Penalty for non-collection / short collection of upfront margins in cash segment.	-	17-May-2020	CIR/HO/MIRSD/DOP/CIR/P/2019/139 dated November 19, 2019.
XI.	Maintaining call recordings of orders/instructions received from clients.	-	17-May-2020	SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018.

- The relaxation in compliance requirements at S. Nos. I - IX will be effective from their due date till the extended date as mentioned in the above table. Provision regarding imposition of penalty at S. No. X above was effective from April 01, 2020. The relaxation in this regard shall be till May 17, 2020. However, in terms of the said circular reporting of non-collection/short collection of margins in the cash segment shall continue. The relaxation in compliance requirement at S. No. XI will be effective from March 23, 2020 till May 17, 2020 with respect to trading members working from designated alternate locations. However, the trading member and the Stock Exchange shall send a confirmation on the registered mobile number of the client immediately after execution of the order.
- For trading members / clearing members in International Financial Services Centres, relaxations in compliance requirements at S. Nos. II, V, VI, VII and IX in the above table, will be effective from their due date till the extended date as mentioned in the above table.
- Stock Exchanges and Clearing Corporations are directed to bring the provisions of this circular to the notice of their members and also disseminate the same on their websites.
- 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 markets.

Yours faithfully

D Rajesh Kumar
General Manager
Market Intermediaries Regulation and Supervision Department