



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

CIR/MRD/ICC/20/2013

05.07.2013

**The Managing Director/Executive Director,
All Stock Exchanges.**

Dear Madam/Sir,

Subject: Arbitration Mechanism in Stock Exchanges

1. Reference may be made to circular no. CIR/MRD/DSA/24/2010 dated August 11,2010. Para 8 of the said circular no. CIR/MRD/DSA/24/2010 dated August 11,2010 is being modified. The para 8 of aforementioned circular dated August 11, 2010 shall now read as under:

"8. Place of Arbitration

- 8.1** The Stock Exchanges (SEs) having nationwide terminals, shall provide arbitration facility (i.e arbitration as well as appellate arbitration) atleast at all centres specified by SEBI from time to time. However, the SEs having nationwide terminals may provide arbitration facility at additional centres, if SEs so desire. The arbitration and appellate arbitration shall be conducted at the centre nearest to the address provided by Client in the KYC form.
- 8.2** Other stock exchanges shall provide the arbitration facility, including appellate arbitration, at the place where it is located.
- 8.3** The application under section 34 of the Arbitration and Conciliation Act, 1996, if any, against the decision of the appellate panel shall be filed in the competent Court nearest to the address provided by Client in the KYC form."

2. The stock exchanges are advised to:-
 - a. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately;

- b. bring the provisions of this circular to the notice of the members of the stock exchange and also to disseminate the same through their website; and
 - c. communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Reports to SEBI.
3. SEBI inspection of stock exchange shall cover implementation of this circular.
4. This Circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect immediately.
5. This Circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,
B K Gupta
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Copy to: All SEBI recognized Investor Associations