भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 **August 04, 2023**

To,

All Recognized Stock Exchanges (including Commodity Derivatives)
All Clearing Corporations
All Depositories
All Stock Brokers
All Depository Participants
All SEBI Registered Intermediaries / All SEBI Regulated Entities
All Listed Companies
All Registrar & Share Transfer Agents
All Asset Management Companies

Sir / Madam,

Subject: Corrigendum cum Amendment to Circular dated July 31, 2023 on Online Resolution of Disputes in the Indian Securities Market

1. SEBI issued circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 providing the guidelines for online resolution of disputes in the Indian securities market.

2. Pursuant to feedback received, need for additional clarity or correction of language used, the circular stands modified as under:

   I. Clause 8 of the circular stands substituted as under:

   All listed companies / specified intermediaries / regulated entities in the securities market (collectively referred to as "Market Participant/s") shall enrol on the ODR Portal within the timelines as specified at paragraphs 46 and 47 of this circular and shall be deemed to have been enrolled on the ODR Portal at the end such specified timeline. The enrolment process shall also include executing electronic terms/agreements with MIIs and the ODR Institutions, which shall be deemed to be

executed at the end such specified timeline. Facility to enrol Market Participants into the ODR Portal by utilising the credentials used for SEBI SCORES portal / SEBI Intermediary portal may be also provided in the ODR Portal.

II. Clause 11 of the circular stands substituted as under:

An investor/client shall first take up his/her/their grievance with the Market Participant by lodging a complaint directly with the concerned Market Participant. If the grievance is not redressed satisfactorily, the investor/client may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. After exhausting these options for resolution of the grievance, if the investor/client is still not satisfied with the outcome, he/she/they can initiate dispute resolution through the ODR Portal.

III. Clause 13 of the circular stands substituted as under:

The dispute resolution through the ODR Portal can be initiated when the complaint/dispute is not under consideration in terms of the paragraph 11 above or SCOREs guidelines as applicable or not pending before any arbitral process, court, tribunal or consumer forum or are non-arbitrable in terms of Indian law (including when moratorium under the Insolvency and Bankruptcy Code is in operation due to the insolvency process or if liquidation or winding up process has been commenced against the Market Participant).

IV. Clause 17 of the circular stands substituted as under:

The ODR Institution that receives the reference of the complaint/dispute shall appoint a sole independent and neutral conciliator from its panel of conciliators. Such conciliator shall have relevant qualifications or expertise (please refer to Schedule D) and should not be connected with or linked to any disputing party. MIIs shall ensure that appropriate measures are put in place regarding appointment of conciliators by the ODR Institutions.

V. In the first sentence of Clause 20.c. of the circular, "75%" shall stand substituted with "*100%*".

VI. In Clause 21 of the circular, at the end of the first and the third sentences, the following is added: "…*and receipt of fees, costs and charges as applicable."*

VII. In Clause 24 of the circular, at the end of the first sentence, the following is added: "..*in the ODR Portal for onward notification to the party/ies in whose favour the arbitral award has been passed and the relevant MII."*

VIII. In the first sentence of Clause 25 of the circular, “75%” shall stand substituted with “*100%*”.

IX. Clause 27 of the circular stands substituted as under:

The venue and seat of the online proceedings shall be deemed to be the place:

a) *In case of disputes between investor/client and listed companies (including their registrar and share transfer agents) or any of the specified intermediaries / regulated entities in securities market (as specified in Schedule A): where the investor resides permanently or, where the investor is not an individual, the place where it is registered in India or has its principal place of business in India, as provided in the relevant KYC documents*

b) *In case of disputes between institutional or corporate clients and specified intermediaries / regulated entities in securities market as specified in Schedule B:*

   (i) *where the institutional or corporate clients has its registered in India or has its principal place of business in India, as provided in the relevant KYC documents, and*

   (ii) *if in case the the institutional or corporate client is not registered in India or does not have its principal place of business in India, then the place where the specified intermediaries / regulated entities in securities market as specified in Schedule B has its registered in India or has its principal place of business in India or*

   (iii) *such court of competent jurisdiction in India as the institutional or corporate clients and specified intermediaries / regulated entities in securities market as specified in Schedule B may agree upon.*

X. Clause 49 shall also include the following circulars:

n-i. Circular No.: CIR/MIRSD/11/2013 dated October 28, 2013

XI. Clause 50. e. of the circular is modified as under:

All matters that are appealable before the Securities Appellate Tribunal in terms of Section 15T of SEBI Act, 1992 (other than matters escalated through SCOREs portal in accordance with SEBI SCOREs Circular), Sections 22A and 23L of Securities Contracts (Regulation) Act, 1956 and 23A of Depositories Act, 1996 shall be outside the purview of the ODR Portal.

XII. The following intermediaries / regulated entities are added in Schedule A:

2A. Commodities Clearing Corporations
9A. Research Analyst

XIII. In para 7 of Schedule C, at the end of the first sentence, the following is added: "…*on or before October 31, 2023.*"

3. This circular shall be applicable with immediate effect.

4. 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 market. This circular is issued with the approval of the competent authority.

5. This Circular is available on the SEBI website at www.sebi.gov.in under the link "Legal > Circulars".

Yours faithfully,

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