



CONSULTATION PAPER

MAINTENANCE OF RECORD OF MANDATORY COMMUNICATION BY REGULATED ENTITIES

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OBJECTIVE

1. The objective of this consultation paper is to seek comments / views / suggestions from the public and relevant stakeholders on the requirement of the maintenance of record of mandatory communication by the entities regulated by SEBI.

BACKGROUND

2. Under the current regulatory regime, the regulated entities of SEBI are mandated to communicate various types of information to numerous stakeholders. This enables a regular and timely disbursement of information to the relevant stakeholders. However, the record of such mandatory communication is required to be maintained only for a limited class of communication.

NEED FOR CHANGE

3. The record of the relevant documents such as books of accounts etc., which are mandated to be preserved under the securities laws, serve as an audit trail to identify breach of the securities laws, if any. However, where the relevant information is required to be communicated, as mandated under the provisions of the securities laws, the content that is actually communicated is often difficult to ascertain, unless mandated to be preserved or maintained.
4. As stated above (paragraph 2), only a limited class of mandatory communication is required to be maintained. The legally verifiable record of mandatory communication would help in resolving investor grievances, protecting the interest of investors and identifying instances of breach of provisions of the securities laws, if any, by providing the relevant evidence of the content of such communication. This would lead to improved regulatory compliance, increase transparency, protect investors' interest and boost their confidence in the securities market.

PROPOSAL

5. In furtherance of the objective of SEBI, as mandated by Section 11 read with Sections 11A and 12 of the Securities and Exchange Board of India Act, 1992, it is proposed that the regulated entities may be mandated to maintain the record of all such communication, which

are mandated to be communicated under the respective governing regulations and the circulars issued thereunder, by inserting the following provision in the respective governing regulations:

“Wherever under these regulations or the circulars issued thereunder, the [Name of the class of regulated entity] is mandated to make any communication, the [Name of the class of regulated entity] shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and*
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”*

Note: Only the communication which is ‘mandatory’ in nature is proposed to be maintained.

The detailed draft of the proposed amendment is placed alongside as ‘Annexure A’.

PUBLIC COMMENTS

6. Public comments are invited for the proposals at paragraph 5. The comments/ suggestions should be submitted by any of the following modes latest by September 13, 2024, by clicking on [this link](#).
7. In case of any technical issue while submitting the comment/suggestion through the web based public comments form, you may send an email with the subject: “COMMENTS ON THE PROPOSED SECURITIES AND EXCHANGE BOARD OF INDIA (RECORD OF MANDATED COMMUNICATION) (AMENDMENT) REGULATIONS, 2024” to consultationlad@sebi.gov.in with a copy to the following:
 - a) Durgesh Kumar Thakur, DGM at durgeshkt@sebi.gov.in
 - b) Yash Bharti, AM at yashb@sebi.gov.in

Issued on: August 29, 2024

ANNEXURE – A

DRAFT NOTIFICATION

THE GAZETTE OF INDIA

EXTRAORDINARY

PART III—SECTION 4

PUBLISHED BY AUTHORITY

SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the __, 2024

**SECURITIES AND EXCHANGE BOARD OF INDIA (RECORD OF MANDATED
COMMUNICATION) (AMENDMENT) REGULATIONS, 2024**

SEBI/_____.—In exercise of the powers conferred by section 30, read with sections 11, 11A and 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Securities and Exchange Board of India (Custodian) Regulations, 1996, Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999, Securities and Exchange Board of India (Collective Investment Schemes), Amendments to the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, Securities and Exchange Board of India (Self Regulatory Organisations) Regulations, 2004, Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008, Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011, Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, Securities and Exchange Board of India (Research Analysts) Regulations, 2014, Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, Securities and Exchange Board of India (Portfolio Managers)

Regulations, 2020, Securities and Exchange Board of India (Vault Managers) Regulations, 2021, Securities and Exchange Board of India (Index Providers) Regulations, 2024, namely, —

1. These regulations may be called the Securities and Exchange Board of India (Record of Mandated Communication) (Amendment) Regulations, 2024.
2. They shall come into force on the date of their publication in the Official Gazette.

Amendment to the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992

3. In the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, after regulation 17, the following regulation shall be inserted, namely, -

“Records of Communications

17A. Wherever under these regulations or the circulars issued thereunder, the stock broker is mandated to make any communication, the stock broker shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992"

4. In the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, after regulation 14, the following clause shall be inserted, namely, -

“Records of Communications

14A. Wherever under these regulations or the circulars issued thereunder, the merchant banker is mandated to make any communication, the merchant banker shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendments to the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

5. In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, after regulation 14, the following regulation shall be inserted, namely, -

“Records of Communications

14A. Wherever under these regulations or the circulars issued thereunder, the registrars to an issue and share transfer agent are mandated to make any communication, the registrars to an issue and share transfer agents shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993

6. In the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, after regulation 15, the following regulation shall be inserted, namely, -

“Records of Communications

15A. Wherever under these regulations or the circulars issued thereunder, the debenture trustee is mandated to make any communication, the debenture trustee shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994

7. In the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, after regulation 12, the following regulation shall be inserted, namely, -

“Records of Communications

12A. Wherever under these regulations or the circulars issued thereunder, the banker to an issue is mandated to make any communication, the banker to an issue shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

8. In the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, after regulation 50, the following regulation shall be inserted, namely, -

“Records of Communications

50A. Wherever under these regulations or the circulars issued thereunder, the asset management company and trustee are mandated to make any communication, the asset management company and trustee shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Custodian) Regulations 1996

9. In the Securities and Exchange Board of India (Custodian) Regulations, 1996, after regulation 19, the following regulation shall be inserted, namely, -

“Records of Communications

19A. Wherever under these regulations or the circulars issued thereunder, the custodian is mandated to make any communication, the custodian shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999

10. In the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999, after regulation 21, the following regulation shall be inserted, namely, -

“Records of Communications

21A. Wherever under these regulations or the circulars issued thereunder, the credit rating agency is mandated to make any communication, the credit rating agency shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999

11. In the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999, after regulation 40, the following regulation shall be inserted, namely, -

“Records of Communications

40A. Wherever under these regulations or the circulars issued thereunder, the collective investment management company is mandated to make any communication, the collective investment management company shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000

12. In the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, after regulation 12, the following regulation shall be inserted, namely, -

“Records of Communications

12A. Wherever under these regulations or the circulars issued thereunder, the foreign venture capital investor is mandated to make any communication, the foreign venture capital investor shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Self Regulatory Organisations) Regulations, 2004

13. In the Securities and Exchange Board of India (Self Regulatory Organisations) Regulations, 2004, after regulation 15, the following regulation shall be inserted, namely, -

“Records of Communications

15A. Wherever under these regulations or the circulars issued thereunder, the self regulatory organisation is mandated to make any communication, the self regulatory organisation shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008

14. In the Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008, after regulation 18, the following regulation shall be inserted, namely, -

“Records of Communications

18A. Wherever under these regulations or the circulars issued thereunder, the special purpose distinct entity is mandated to make any communication, the special purpose distinct entity shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011

15. In the Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011, after regulation 15, the following regulation shall be inserted, namely, -

“Records of Communications

15A. Wherever under these regulations or the circulars issued thereunder, the KRA is mandated to make any communication, the KRA shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

16. In the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, after regulation 27, the following regulation shall be inserted, namely, -

“Records of Communications

27A. Wherever under these regulations or the circulars issued thereunder, the manager or sponsor are mandated to make any communication, the manager or sponsor shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013

17. In the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, after regulation 19, the following regulation shall be inserted, namely, -

“Records of Communications

19A. Wherever under these regulations or the circulars issued thereunder, the investment advisor is mandated to make any communication, the investment advisor shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Research Analysts) Regulations, 2014

18. In the Securities and Exchange Board of India (Research Analysts) Regulations, 2014, after regulation 25, the following regulation shall be inserted, namely, -

“Records of Communications

25A. Wherever under these regulations or the circulars issued thereunder, the research analyst is mandated to make any communication, the research analyst shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014

19. In the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, after regulation 25, the following regulation shall be inserted, namely, -

“Records of Communications

25A. Wherever under these regulations or the circulars issued thereunder, the investment manager and trustee are mandated to make any communication, the investment manager and trustee shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

20. In the Securities and Exchange Board of India (Real Estate Investment Trusts) regulations, 2014, after regulation 25, the following regulation shall be inserted, namely, -

“Records of Communications

25A. Wherever under these regulations or the circulars issued thereunder, the manager and trustee are mandated to make any communication, the manager and trustee shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

21. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, after regulation 27, the following regulation shall be inserted, namely, -

“Records of Communications

27A. Wherever under these regulations or the circulars issued thereunder, the listed entity is mandated to make any communication, the listed entity shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018

22. In the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, after regulation 40, the following regulation shall be inserted, namely, -

“Records of Communications

40A. Wherever under these regulations or the circulars issued thereunder, the recognised stock exchange and clearing corporation are mandated to make any communication, the recognised stock exchange and clearing corporation shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and

- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

23. In the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, after regulation 66, the following regulation shall be inserted, namely, -

“Records of Communications

66A. Wherever under these regulations or the circulars issued thereunder, the depository and participant are mandated to make any communication, the depository and participant shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019

24. In the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, after regulation 29, the following regulation shall be inserted, namely, -

“Records of Communications

29A. Wherever under these regulations or the circulars issued thereunder, the foreign portfolio investor is mandated to make any communication, the foreign portfolio investor shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

25. In the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, after regulation 27, the following regulation shall be inserted, namely, -

“Records of Communications

27A. Wherever under these regulations or the circulars issued thereunder, the portfolio manager is mandated to make any communication, the portfolio manager shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and

- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendment to the Securities and Exchange Board of India (Vault Managers) Regulations, 2021

26. In the Securities and Exchange Board of India (Vault Managers) Regulations, 2021, after regulation 14, the following regulation shall be inserted, namely, -

“Records of Communications

14A. Wherever under these regulations or the circulars issued thereunder, the vault manager is mandated to make any communication, the vault manager shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

Amendments to the Securities and Exchange Board of India (Index Providers) Regulations, 2024

27. In the Securities and Exchange Board of India (Index Providers) Regulations, 2024, after regulation 26, the following regulation shall be inserted, namely, -

“Records of Communications

26A. Wherever under these regulations or the circulars issued thereunder, the index provider is mandated to make any communication, the index provider shall:

- i. maintain the record of such communication and wherever applicable, the acknowledgement thereof, for a period not less than eight years from the date of such communication; and
- ii. make record of such communication and wherever applicable, the acknowledgement thereof, available to SEBI upon being required to furnish such records.”

SECURITIES AND EXCHANGE BOARD OF INDIA
