

National Stock Exchange Of India Limited**Department : COMPLIANCE**

Download Ref No: NSE/COMP/39739

Date : December 21, 2018

Circular Ref. No: 71/2018

To All Members,

Sub.: Role of Sub-Broker (SB) vis-a-vis Authorized Person (AP)

SEBI vide circular Ref no. SEBI/HO/MIRSD/DOP/CIR/P/2018/117 dated August 03, 2018 has issued circular regarding “Role of sub-broker (SB) vis-a-vis authorized person (AP).” A copy of the same is enclosed as **Annexure-I** for reference.

As mentioned in the circular, SEBI Board in its meeting held on June 21, 2018 decided to discontinue with Sub-Broker as an intermediary to be registered with SEBI. In view of the same, following is decided -

1. Fresh Registrations:

No fresh registration shall be granted to any person as Sub-Broker.

2. Changes in sub-brokers:

Applications for change in Director/Partner/Shareholding, change in address, change in name/trade name, etc. will be accepted by the Exchange as per current Exchange procedure till March 15, 2019. However, applications for change in affiliation will not be accepted by Exchange. Sub-brokers in such cases shall be required to migrate to AP.

3. Migration of sub-brokers:

- The registered Sub-Brokers shall have time till March 31, 2019 in order to migrate, to act as an AP or Trading Member (TM). The Sub-Brokers, who do not choose to migrate into AP or TM, shall be deemed to have surrendered their registration as Sub-Broker w.e.f. March 31, 2019. Consequent upon migration/deemed surrender, the certificate of registration granted to the Sub-brokers by SEBI shall stand withdrawn. Accordingly, original SEBI certificates of such sub-brokers needs to be submitted to the Exchange by respective Trading Members.
- The Sub-Brokers, who choose to migrate to AP, shall apply to Exchange well in advance to continue their operations without disruption.

Sub-brokers must apply through their respective member for conversion to AP. The conversion application shall be required for Capital Market Segment irrespective of whether the sub-broker is already an AP in other segments or not. Also, conversion shall be effective only when the Exchange approves the same.

- Members are requested to refer Exchange Circular Ref. No. 802/2012 dated September 10, 2012 regarding conversion procedure to AP. Application formats for the conversion of Sub-broker to AP is available on Exchange website. The link is given below for your reference:

Membership > Existing Membership > Compliance for Trading Members > Sub-broker

- The Sub-broker who chooses to migrate as Trading Member, shall be required to meet the eligibility criteria prescribed by Exchange and SEBI and apply to Exchange as per the membership requirements. Exchange approval and SEBI registration of Trading Member shall be must before March 31, 2019 to continue their operations without disruption.

4. Refund of Sub-broker Fees:

- All the existing Sub-brokers shall be required to pay renewal fees up to financial year 2018-19
- Sub-broker fees will be refunded as specified in attached SEBI circular and for only those sub-brokers who have migrated to AP or Trading Member by March 31, 2019
- Sub-brokers who surrender without migration to AP or Trading Member, shall be dealt with as per the procedure laid down for surrendering of sub-broker registrations.

For process ease and quick registration of existing APs in additional segment, members need not give all the documents viz. PAN card copy, Proof of Date of Birth, Education Qualification, MOA and Certificate of Incorporation (for Corporates), Partnership/LLP Deed and Registrar of Firms (ROF) Certificate (for LLP/Partnership), Directors/ Partner's Details and CA/CS certified Shareholding Details. In such cases, only below mentioned documents will be required:

1. Agreement between Trading Member and Authorized Person
2. Undertaking from Applicant (AP)
3. Additional Undertaking (**Annexure-II**)

All members are requested to take note of the same.

**For and on behalf of
National Stock Exchange of India Limited**

**Dr. Dinesh Kumar Soni
Vice President**

Telephone No	Fax No.	Email id
1800 266 0058	+91-22-26598428	compliance@nse.co.in