



NATIONAL STOCK EXCHANGE OF INDIA LIMITED

DEPARTMENT : INSPECTION	
Download Ref.No.: NSE/INSP/34055	Date : January 24, 2017
Circular Ref.No.: 299/2017	

To All Members,

Sub : Compliance with fit & proper requirement by Members in case of trading in securities of listed Stock Exchanges

Members' attention is drawn to **Regulation 19(1) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations)** which states that no person shall, directly or indirectly, acquire or hold equity shares of a recognised Stock Exchange or recognised Clearing Corporation unless he is a fit and proper person in terms of Regulation 19 and 20 of the said SECC Regulations.

Vide NSE circular NSE/COMP/31683 dated February 03, 2016, Members were advised to take note and comply with SEBI circular CIR/MRD/DSA/01/2016 dated January 01, 2016 (enclosed as **Annexure-A**) on procedures for ensuring compliance with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations). The said SEBI circular stipulates that post listing of Stock Exchanges, the text of the Regulation 19 & 20 of SECC Regulations with regard to fit and proper shall be made part of the contract note.

In view of the same, Members are required to ensure that their clients who are executing transactions in the securities of the listed Exchanges through them are fit & proper as stipulated by the above applicable regulations and attach the text of the said regulations as annexure with the contract notes issued to such clients.

All Members are advised to take note of the above and comply.

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

**Dr. Dinesh Kumar Soni
Head- Inspection & Exchange Compliance**

In case of any clarifications, members may contact our below offices:

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