

National Stock Exchange of India Limited

Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/61213	Date: March 19, 2024
Circular Ref. No: 18/2024	

To All Members,

Sub: Measures to instill trust in securities market – Expanding the framework of Qualified Stock Brokers (QSBs) to more stock brokers

This is with reference to SEBI Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/24 dated February 06, 2023, on “Enhanced obligations and responsibilities on Qualified Stock Brokers (QSBs)”, wherein SEBI enumerated the parameters for designating certain stock brokers, having regard to their size and scale of operations, likely impact on investors and securities market, as well as governance and service standards, as Qualified Stock Brokers (QSBs).

The following four parameters were considered for designating a stock broker as QSB, on an annual basis:

- 1.1 the total number of active clients of the stock broker;
- 1.2 the available total assets of clients with the stock broker;
- 1.3 the trading volumes of the stock broker (excluding the proprietary trading volume of the stock broker);
- 1.4 the end of day margin obligations of all clients of a stock broker (excluding the proprietary margin obligation).

Based on the aforementioned parameters, the first list of QSBs was issued by Exchange vide Circular no. NSE/INSP/55875 dated March 03, 2023, on “Enhanced Obligations and Responsibilities on Qualified Stock Brokers (QSBs).”

SEBI vide Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/14 dated March 11, 2024, on “Measures to instill trust in securities market – Expanding the framework of Qualified Stock Brokers (QSBs) to more stock brokers” has extended the framework of QSBs to more stock brokers and enumerated the following parameters, in addition to the aforementioned four parameters:

- 1.5 the proprietary trading volumes of the stock broker who are engaged in clients’ trading;
- 1.6 compliance score of the stock broker, derived by assigning highest score to stock brokers with highest penalties levied across Exchanges; and

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- 1.7 grievance redressal score of the stock broker, derived by assigning highest score to stock brokers with highest count of investor complaints received across Exchanges.

Accordingly, on the basis of the parameters defined in the aforesaid Circular, the revised list of designated Qualified Stock Brokers (QSBs) is enclosed herewith as **Annexure A** (list is in alphabetical order and is not indicative of ranking).

These QSBs shall be required to meet enhanced obligations and discharge additional responsibilities as specified in Comprehensive Operating Guidelines issued vide Exchange Circular no. NSE/INSP/56927 dated June 01, 2023.

The effective date of implementation for different QSBs based on parameters by which they are designated as QSBs has been prescribed in the Table below:

Parameters based on which a Stock Broker is designated as QSB	Applicability of the Circular*
Parameters mentioned at para 1.1 to 1.5 above (<i>i.e. para 4.1.1 to 4.1.5 of the SEBI Circular dated March 11, 2024</i>)	June 01, 2024
Parameters mentioned at para 1.6 and 1.7 above (<i>i.e. para 4.1.6 to 4.1.7 of the SEBI Circular dated March 11, 2024</i>)	September 01, 2024

*For QSBs which are common between the lists in Annexure A, the date of applicability of the Circular shall be June 01, 2024.

Stock Brokers designated as QSBs vide Exchange Circular no. NSE/INSP/55875 dated March 03, 2023, and not included in Annexure A, shall continue to comply with the enhanced obligations and responsibilities, for an additional period of 3 financial years or such time, as may be specified by the Exchange, in consultation with SEBI.

Members are requested to take note of the contents of the Circular and comply.

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

**Kapil Marwah
Associate Vice President**

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

Regional Office	CONTACT NO.	E MAIL ID
Ahmedabad (ARO)	079-49008632	inspectionahm@nse.co.in
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Annexure A

List of QSBs based on the parameters mentioned at para 1.1 to 1.5 above and para 4.1.1 to 4.1.5 of SEBI Circular dated March 11, 2024

S. No.	Name of the Stock Broker
1	Angel One Limited
2	Globe Capital Market Limited
3	HDFC Securities Ltd.
4	ICICI Securities Limited
5	Kotak Securities Ltd.
6	Motilal Oswal Financial Services Limited
7	Nextbillion Technology Private Limited
8	NJ India Invest Private Limited
9	Rajvi Stock Broking Private Limited
10	RKSV Securities India Private Limited
11	Zerodha Broking Limited

List of QSBs based on the parameter mentioned at para 1.6 above and para 4.1.6 of SEBI Circular dated March 11, 2024

S. No.	Name of the Stock Broker
1	5Paisa Capital Limited
2	Angel One Limited
3	ICICI Securities Limited
4	IIFL Securities Limited
5	Motilal Oswal Financial Services Limited

List of QSBs based on the parameter mentioned at para 1.7 above and para 4.1.7 of SEBI Circular dated March 11, 2024

S. No.	Name of the Stock Broker
1	Angel One Limited
2	Finvasia Securities Private Limited
3	ICICI Securities Limited
4	Motilal Oswal Financial Services Limited
5	Zerodha Broking Limited