



CIRCULAR

CIR/MIRSD/10/2012

August 27, 2012

To

All Recognized Stock Exchanges

Madam/ Sir,

Sub: Rationalization of process relating to surrender of registration by sub-brokers

1. Please refer to SEBI Circular MIRSD-DR1/SRP/Cir-43/28408/04 dated December 15, 2004 regarding, inter-alia, surrender of certificate of registration of sub-brokers.
2. Considering the present role of sub-broker where he is not permitted to deal with funds and securities of the investors, in consultation with the major stock exchanges and stock brokers' associations, it has been decided to rationalize the procedure for surrender of sub-broker registration, as follows.
 - (i) The affiliating stock broker shall issue a public advertisement in a local newspaper with wide circulation where the sub-broker's place of work is situated, informing the investors/general public about the surrender of registration of his sub-broker and not to deal with such sub-broker.
 - (ii) Further, in case of transition from sub broker to Authorized Person (AP) (where the sub broker surrenders registration while seeking approval as AP) with the same stock broker and the same stock exchange, issue of advertisement in newspaper regarding surrender of sub broker registration shall not be required. However, the affiliating stock broker shall furnish an undertaking/ confirmation to the stock exchanges at the time of surrender of sub broker registration that he has sent communication to the clients of the sub broker individually about the surrender of sub brokership and also the fact of approval as AP.
 - (iii) The affiliating stock broker and/or stock exchange shall publish the details of sub-brokers whose registration has been surrendered or their new status as AP, as the case may be on their respective websites for the information of the investors.
3. The aforesaid SEBI circular shall stand modified to the extent of the above changes.
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.



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

5. The circular is available on SEBI website (www.sebi.gov.in) under the categories “Legal Framework” and “Circulars”.

Yours faithfully,

Ruchi Chojer
Deputy General Manager
Phone No. 022-26449310
Email id: ruchic@sebi.gov.in