

**General Manager**  
**Market Intermediaries Regulation**  
**and Supervision Department - II**  
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SEBI/MIRSD/Cir. No.03/2010  
January 21, 2010

To  
The Managing Directors of Stock Exchanges

Dear Sir/s,

**Sub: Requirement of Fee Clearance and NOC – Non applicability in respect of certain category of members of stock exchanges**

1. In terms of clause 4 (e) of SEBI Circular No.SEBI/SMD/SE/Cir-24/2003/18/06 dated June 18, 2003 members of the stock exchanges are required to obtain 'NOC' from SEBI through the respective stock exchanges before claiming refund of excess Base Minimum Capital from the stock exchange.
2. Further, in terms of clause 4 of SEBI Circular No.MIRSD/MSS/Cir-30/13289/03 dated July 9, 2003, members of the stock exchanges are required to obtain 'fee clearance' from SEBI through the respective stock exchanges for the following purposes:
  - (a) Change in shareholding pattern without change in control,
  - (b) Issue and redemption of preference shares, issue of bonus shares,  
and
  - (c) Change in directors other than designated / whole time directors
3. On a review, it has been decided that the above referred provisions of the aforesaid circulars **shall, henceforth, be not applicable** to the following categories of members of the stock exchanges:

- (i) trading members and clearing members in the equity derivatives and currency derivatives segments
  - (ii) stock brokers in the cash segment who are covered under Schedule III A [payment of fees by stock brokers] of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 and
  - (iii) stock brokers in the cash segment who may migrate to Schedule III A [payment of fees by stock brokers] of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 in future (as and when they migrate).
4. However, the stock brokers who are covered under Schedule III [payment of fees by stock brokers] of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 will be required to comply with the above referred provisions of the aforesaid circulars.
5. Stock Exchanges are advised to :
- (a) issue necessary instructions to bring the provisions of this Circular to the notice of their constituents and also disseminate the same on their websites;
  - (b) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above; and
  - (c) communicate to SEBI, the status of the implementation of the provisions of this Circular by February 28, 2010 .
6. 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 and shall come into effect from the date of this Circular.

Yours faithfully,

**V.S. SUNDARESAN**