

CIRCULAR

SEBI/HO/MRD/MRD-POD- 3/CIR/P/2023/104

June 26, 2023

To

**All Recognized Stock Exchanges
(Excluding Commodity Derivatives Exchanges)**

Dear Sir/Madam,

Sub: Investor Service Centres of Stock Exchanges

1. SEBI vide Circular No.SMD/POLICY/CIR-32/97 dated December 03, 1997 advised all stock exchanges to open or maintain atleast one Investor Service Centre (ISC) for the benefit of the investors. Such centres are required to, *inter alia*, provide counseling service and provide certain basic minimum facilities to the investors. The major stock exchanges were allowed to open as many ISCs as required.
2. Subsequently, vide SEBI Circulars No. CIR/MRD/DSA/03/2012 dated January 20, 2012, No.CIR/MIRSD/2/2012 dated February 15, 2012 and No. CIR/MRD/ICC/21/2013 dated July 05, 2013, it was mandated that apart from the ISCs that are operating in metro cities (viz., New Delhi, Mumbai, Chennai and Kolkata), stock exchanges having nationwide terminals shall open ISCs in Ahmedabad, Hyderabad, Kanpur, Indore, Bangalore, Pune, Jaipur, Ghaziabad, Lucknow, Gurgaon, Patna and Vadodara.
3. Considering significant development in the securities market including technological advancements since the issuance of abovementioned circulars, a need was felt to review the provisions related to ISCs of stock exchanges. Based on consultation with the stock exchanges, the following have been decided:

3.1. In order to reach out to the investors across India, the stock exchanges shall make use of the existing ISCs at locations mentioned at paragraph-2 above and open additional ISCs wherever required; or as specified or to be specified by the Board from time to time. The ISCs can be set up either by one stock exchange or jointly by two or more stock exchanges as per their mutual agreement.

3.2. ISCs shall at least provide the following basic minimum facilities:

- i. Four financial daily newspapers with at least one in the regional language of the place where the ISC is situated. In case, the financial newspaper is not available in the regional language of the place, any leading newspaper in that regional language shall be provided.
- ii. A dedicated desktop or laptop with internet connectivity to enable the investors to access various relevant information available in public domain and also to access SEBI's and stock exchange's grievance redressal portals.
- iii. Facilities for receiving investor complaints in both physical and electronic form. One dedicated staff shall be posted at the ISC to register investor complaints and also to guide & counsel the investors. The updated status of all complaints shall be maintained in electronic form.
- iv. Facilitation desks at all ISCs to assist the investors in the dispute resolution process. These desks shall, *inter alia*, provide investors the required documents or details, if any, for making application to investor Grievance Redressal Panels and filing arbitration applications (including appellate arbitration).
- v. Arbitration and appellate arbitration facility at all ISCs including video-calling facility to investors for attending their online arbitration (including appellate arbitration) or Grievance Redressal meetings, if any.

- vi. A meeting room for at least 5 to 6 persons and additional sitting space for at least 5 to 6 persons.
- vii. Other infrastructure facilities such as telephone, photocopier, printer, scanner, internet access, furniture, etc.
- viii. A library on relevant laws (including Acts, Rules, Regulations, Circulars or master circulars, Guidelines, etc. and bye-laws, rules, regulations and circulars or master circulars of stock exchanges, clearing corporations and depositories), common booklets on various areas of securities markets, educational materials, etc. for the investors. In case of receipt of request for physical copies of relevant laws, the same shall be provided at a minimal cost.
- ix. A register or database of visitors (including investors) for future correspondence, whenever required.

3.3. For up-gradation of knowledge of officials at ISCs, stock exchanges shall ensure that:

- i. All the officials at ISCs have been provided adequate training on various areas of securities market, how to counsel or guide the investors to appropriately lodge their complaints (including lodging of complaints on SCORES platforms), how to resolve the investor grievances, promotion of investor education and awareness to enhance securities market literacy and retail participation, etc.
- ii. The training on securities market should, *inter-alia*, cover the following areas:
 - a) Overview of securities market (both primary and secondary markets);
 - b) Functions and operations of Stock Exchanges, Clearing Corporations and Depositories;
 - c) Functions and operations of market intermediaries dealing with investors such as, Stock Brokers, Depository Participants, Mutual Funds, Investment

Advisers, Research Analysts, Portfolio Managers, Registrar and Transfer Agents, etc.

- iii. The officials at ISCs should also have requisite NISM certification covering the areas mentioned at paragraph 3.3(ii) above.

4. Applicability:

4.1. The provisions of this circular, except provisions at paragraph 3.3 above, shall come into effect from the 90th day of issuance of this circular.

4.2. The requirements at paragraph 3.3 above shall be complied with in a phased manner i.e. by at least one official at ISCs shall comply with the requirements within 6 months and all officials at ISCs shall comply within 12 months, from the date of issuance of this circular.

4.3. The existing provisions on ISCs issued through various SEBI circulars mentioned as under shall be rescinded with effect from the date of implementation of this circular:

- i. SEBI Circular No. SMD/POLICY/CIR-32/97 dated December 03, 1997.
- ii. Para 4 of SEBI Circular No. CIR/MRD/DSA/03/2012 dated January 20, 2012.
- iii. SEBI Circular No. CIR/MIRSD/2/2012 dated February 15, 2012.
- iv. SEBI Circular No. CIR/MRD/ICC/21/2013 dated July 05, 2013.
- v. Para 5 of SEBI Circular No. CIR/MRD/ICC/30/2013 dated September 26, 2013.

5. All recognized stock exchanges are advised to:

- a) take necessary steps and put in place necessary systems for implementation of the above.
- b) make necessary amendments to the relevant bye-laws, rules and regulations, wherever required, for the implementation of the above; and

- c) bring the provisions of this circular to the notice of market participants (including investors) and also to disseminate the same on their website;
6. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
7. This circular is available on SEBI website at www.sebi.gov.in at “Legal Framework-Circulars.”

Yours faithfully,

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