

# Securities and Exchange Board of India

## Discussion Paper

### Continuing Professional Education

1. With a view to improving the quality of intermediation services in the securities market, the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007 (the regulations) specifies various requirements in terms of certification and revalidation of certification for associated persons in securities markets. The regulations empower National Institute of Securities Markets (NISM) to lay down standards and put in place mechanism for delivery of certification and continuing professional education (CPE) for revalidation of certification of associated persons.
2. In keeping with the objective of the regulations and in consultation with SEBI, NISM has made available the following certifications:

<b>Sl. No.</b>	<b>Name of the Certification</b>	<b>Available from</b>
1.	NISM-Series-I: Currency Derivatives Certification	15.05.2009
2.	NISM-Series-II-A: Registrars to an Issue and Share Transfer Agents (Corporate) Certification	03.08.2009
3.	NISM-Series-II-B: Registrars to an Issue and Share Transfer Agents (Mutual Funds) Certification	03.08.2009
4.	NISM-Series-IV: Interest Rate Derivatives Certification	17.05.2010
5.	NISM-Series-V-A: Mutual Fund Distributors Certification	01.06.2010
6.	NISM-Series-VII: Securities Operations and Risk Management Certification	22.11.2010
7.	NISM-Series-VI: Depositories Operations Certification	21.02.2011

3. The above certificates are valid for a period of three years. Under the regulations, an associated person, who has obtained a certificate, can get it revalidated for a further period of three years at a time by successfully completing successive CPE programmes before the expiry of the validity of the certificate. He has, however, the option to seek a fresh certification before the expiry of the validity of the existing certificate instead of seeking revalidation through CPE. The regulations authorize NISM to specify the requirements of CPE.
4. In consultation with NISM, the CPE is proposed as under:
  - a. The CPE shall be delivered in a class room environment by NISM directly or through NISM accredited CPE providers. Endeavor will be made to make CPE available from many locations. In course of time, delivery through electronic media will be explored.
  - b. The broad syllabus for the CPE would be the same as in the related certification, which is being updated continuously. There would be a separate CPE for each kind of certification.
  - c. The CPE shall be delivered over two days. At the end of the second day, there would be a test (manual or electronic) to evaluate the knowledge gained during the CPE programme. An associated person shall have the option to undergo the two day programme in two spells or at one go.
  - d. A suitable fee, as may be determined by NISM, shall be charged from the associated persons for participating in the CPE programme.
  - e. An associated person shall undergo the CPE programme at anytime during the 12 months preceding the expiry of the validity of the certificate. On successful completion of the CPE, the certificate will be revalidated for a period of three years from its expiry.
5. In order to undertake CPE, an associated person would be required to register with NISM. The facility of such registration would be available online. There would be off-line registration also. Once registered with NISM, the associated person can avail CPE from NISM or any of the accredited CPE providers. On successful completion of the CPE, NISM will revalidate certificate for a further period of three years. NISM will maintain a database of associated persons and monitor validity of their certificates.
6. NISM will have objective criteria to accredit CPE providers. A securities market participant eligible under NISM criteria may be accredited as CPE provider. A CPE provider shall not make CPE available for the associated persons working with it.

7. The Principal, as defined in regulation 2(1) (k) of the regulations, would have two options of complying with the requirement of CPE for revalidation of his / her certificate:
    - a) Successfully completing a related two day CPE programme; or
    - b) Delivering four class room sessions in a related CPE programme.
  8. The successful completion of CPE would amount to compliance with regulation 4 (b) of the regulations for the purpose of initial certification.
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The comments / suggestions on this paper may be mailed at [openism@sebi.gov.in](mailto:openism@sebi.gov.in) or to the following address, latest by June 30, 2011:

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