

# **SECURITIES AND EXCHANGE BOARD OF INDIA (CHANGE IN CONTROL IN INTERMEDIARIES) (AMENDMENT) REGULATIONS, 2023**

UNION OF INDIA

India

The Securities and Exchange Board of India Act, 1992

## **SECURITIES AND EXCHANGE BOARD OF INDIA (CHANGE IN CONTROL IN INTERMEDIARIES) (AMENDMENT) REGULATIONS, 2023**

### **Regulation NO-SEBI-LAD-NRO-GN-2023-115- of 2023**

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[PART III- SEC.4]In exercise of the powers conferred by section 30 read with clauses (b) and (ba ) of sub -section (2) of section 11 ,section 12 of the Securities and Exchange Board of India Act , 1992 (15 of 1992 ) and section 25 of the Depositories Act , 1996 (22 of 1996 ),the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Stock Brokers )Regulations ,1992 , Securities and Exchange Board of India (Merchant Bankers) Regulations , 1992 , Securities and Exchange Board of India (Debenture Trustees ) Regulations , 1993 , Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)Regulations, 1993 , Securities and Exchange Board of India (Bankers to an Issue) Regulations , 1994. ,Securities and Exchange Board of India (Custodian )Regulations ,1996 ,Securities and Exchange Board of India (Credit Rating Agencies ) Regulations , 1999 , Securities and Exchange Board of India {KYC (Know Your Client ) Registration Agency } Regulations , 2011 , Securities and Exchange Board of India (Alternative Investment Funds ) Regulations ,2012 , Securities and Exchange Board of India ( Investment Advisers ) Regulations ,2013 ,Securities and Exchange Board of India (Research Analysts ) Regulations , 2014 , Securities and Exchange Board of India Depositories and Participants ) Regulations , 2018 , Securities and Exchange Board of India (Portfolio Managers ) Regulations ,2020 and Securities and Exchange Board of India (Vault Managers )Regulations ,2021 ,namely ,-

**1. These regulations may be called the Securities and Exchange Board of India (Change in Control in Intermediaries ) (Amendment )Regulations ,2023 .**

**2. They shall come into force on the date of their publication in the Official Gazette .**

Amendment to the Securities and Exchange Board of India (Stock Brokers )Regulations ,1992 .

**3. In the Securities and Exchange Board of India (Stock Brokers ) Regulations , 1992 ,the clause (ac) in sub regulation (1)of regulation 2,shall be substituted as under ,namely ,**

"Change in control "-(i)in case of a body corporate –(A)if its shares are listed on any recognised stock exchange ,shall be construed with reference to the definition of control in terms of regulations framed under clause ( h)of sub -section (2) of section 11 of the Act ;(B)if its shares are not listed on any recognised stock exchange , shall be construed with reference to the definition of control as provided in sub -section (27) of Section 2 of the Companies Act ,2013 (18 of 2013 );Explanation For the purpose of sub -clause (ii),the expression "controlling interest " means an interest ,direct or indirect ,to the extent of not less than fifty percent of voting rights or interest ;"Amendment to the Securities and Exchange Board of India (Merchant Bankers ) Regulations ,1992 .

**4. In the Securities and Exchange Board of India (Merchant Bankers )Regulations ,1992 ,the clause (ad) in sub regulation (1)of regulation 2,shall be substituted as under ,namely ,-**

"Change in control " in case of a body corporate -(A)if its shares are listed on any recognised stock exchange ,shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub -section (2) of section 11 of the Act ;(ii)in a case other than that of a body corporate , shall be construed as any change in its legal formation or ownership or change in controlling interest .(B)if its shares are not listed on any recognised stock exchange , shall be construed with reference to the definition of control as provided in sub -section (27) of Section 2 of the Companies Act ,2013 (18 of 2013 );Amendment to the Securities and Exchange Board of India (Debenture Trustees )Regulations ,1993 .

**5. In the Securities and Exchange Board of India ( Debenture Trustees ) Regulations , 1993 , the clause (ae) of regulation 2,shall be substituted as under ,namely ,-**

"Change in control " in case of a body corporate -(A)if its shares are listed on any recognised stock exchange ,shall be construed with reference to the definition of control in terms of regulations framed under clause (h)of sub -section (2)of section 11 of the Act ;(B)if its shares are not listed on any recognised stock exchange , shall be construed with reference to the definition of control as provided in sub -section (27) of Section 2 of the Companies Act ,2013 (18 of 2013 );Amendment to the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents ) Regulations , 1993 .

**6. In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, the clause (bc) of regulation 2, shall be substituted as under, namely, -**

"Change in control" –(i)in case of a body corporate –(A)if its shares are listed on any recognised stock exchange, shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub-section (2) of section 11 of the Act ;(B)if its shares are not listed on any recognised stock exchange, shall be construed with reference to the definition of control as provided in sub-section (27) of Section 2 of the Companies Act, 2013 (18 of 2013 );(ii)in a case other than that of a body corporate, shall be construed as any change in its legal formation or ownership or change in controlling interest. Explanation - For the purpose of sub-clause (ii), the expression "controlling interest" means an interest, direct or indirect, to the extent of not less than fifty percent of voting rights or interest ;Amendment to the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 .

**7. In the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, the clause (ae) of regulation 2, shall be substituted as under, namely, - " Change in control " in case of a body corporate –**

(A)if its shares are listed on any recognised stock exchange, shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub-section (2) of section 11 of the Act ;(B)if its shares are not listed on any recognised stock exchange, shall be construed with reference to the definition of control as provided in sub-section (27) of Section 2 of the Companies Act, 2013 (18 of 2013 );Amendment to the Securities and Exchange Board of India (Custodian) Regulations, 1996 .

**8. In the Securities and Exchange Board of India (Custodian) Regulations, 1996, after clause (b) and before clause (c) in regulation 2, the following shall be inserted, namely, -**

"(ba) Change in control" in case of a body corporate –(A)if its shares are listed on any recognised stock exchange, shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub-section (2) of section 11 of the Act ;(B)if its shares are not listed on any recognised stock exchange, shall be construed with reference to the definition of control as provided in sub-section (27) of Section 2 of the Companies Act, 2013 (18 of 2013 );

**9. In the Securities and Exchange Board of India (Custodian) Regulations, 1996, after clause (a) and before clause (b) in regulation 9, the following shall be inserted, namely, -**

"(aa) it shall obtain prior approval of the Board in case of change in control in such manner as specified by the Board ;"Amendment to the Securities and Exchange Board of India (Credit Rating

**10. In the Securities and Exchange Board of India (Credit Rating Agencies )Regulations ,1999 ,the clause (eii)in sub -regulation (1)of regulation 2,shall be substituted as under ,namely ,-**

"Change in control" in case of a body corporate -(A)if its shares are listed on any recognised stock exchange , shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub -section (2) of section 11 of the Act ;(B)if its shares are not listed on any recognised stock exchange ,shall be construed with reference to the definition of control as provided in sub -section (27) of Section 2 of the Companies Act ,2013 (18 of 2013 );Amendment to the Securities and Exchange Board of India {KYC (Know Your Client ) Registration Agency } Regulations ,2011 .

**11. In the Securities and Exchange Board of India {KYC (Know Your Client )Registration Agency } Regulations , 2011. ,the clause (da)in sub -regulation (1) of regulation 2,shall be substituted as under ,namely ,-**

"Change in control " in case of a body corporate -(A)if its shares are listed on any recognised stock exchange , shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub -section (2) of section 11 of the Act ;(B)if its shares are not listed on any recognised stock exchange , shall be construed with reference to the definition of control as provided in sub -section (27) of Section 2 of the Companies Act ,2013 (18 of 2013 );Amendment to the Securities and Exchange Board of India (Alternative Investment Funds )Regulations ,2012 .

**12. In the Securities and Exchange Board of India (Alternative Investment Funds ) Regulations ,2012 ,the clause**

(f)in sub -regulation (1) of regulation 2,shall be substituted as under ,namely ,-" Change in control " -(i)in case of a body corporate -(A)if its shares are listed on any recognised stock exchange , shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub -section (2) of section 11 of the Act ;(B)if its shares are not listed on any recognised stock exchange ,shall be construed with reference to the definition of control as provided in sub -section (27) of Section 2 of the Companies Act ,2013 (18 of 2013 );(ii)in a case other than that of a body corporate ,shall be construed as any change in its legal formation or ownership or change in controlling interest .Explanation - For the purpose of sub -clause (ii),the expression "controlling interest " means an interest , direct or indirect ,to the extent of not less than fifty percent of voting rights or interest ;Amendment to the Securities and Exchange Board of India (Investment Advisers )Regulations ,2013 .

**13. In the Securities and Exchange Board of India (Investment Advisers ) Regulations , 2013 , the clause (e) in sub -regulation (1) of regulation 2,shall be substituted as under ,namely ,-**

"Change in control " -(i)in case of a body corporate -(A)if its shares are listed on any recognised stock exchange , shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub -section (2) of section 11 of the Act ;(B)if its shares are not listed on any recognised stock exchange ,shall be construed with reference to the definition of control as provided in sub -section (27) of Section 2 of the Companies Act ,2013 (18 of 2013 );(ii)in a case other than that of a body corporate ,shall be construed as any change in its legal formation or ownership or change in controlling interest .Explanation For the purpose of sub - clause (ii), the expression "controlling interest " means an interest , direct or indirect ,to the extent of not less than fifty percent of voting rights or interest ;Amendment to the Securities and Exchange Board of India (Research Analysts ) Regulations ,2014 .

**14. In the Securities and Exchange Board of India (Research Analysts ) Regulations ,2014 ,the clause (f) in sub regulation (1)of regulation 2,shall be substituted as under ,namely ,-**

Change in control "(i)in case of a body corporate -(A)if its shares are listed on any recognised stock exchange , shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub -section (2) of section 11 of the Act ;(B)if its shares are not listed on any recognised stock exchange , shall be construed with reference to the definition of control as provided in sub -section (27) of Section 2 of the Companies Act ,2013 (18 of 2013 );(ii)in a case other than that of a body corporate ,shall be construed as any change in its legal formation or ownership or change in controlling interest ."Change in control " –Explanation For the purpose of sub -clause (ii), the expression “controlling interest " means an interest , direct or indirect ,to the extent of not less than fifty percent of voting rights or interest ;Amendment to the Securities and Exchange Board of India (Depositories and Participants )Regulations ,2018 .

**15. In the Securities and Exchange Board of India (Depositories and Participants ) Regulations ,2018 ,the clause (e) in sub -regulation (1)of regulation 2,shall be substituted as under ,namely ,-**

(i)in case of a body corporate -(A)if its shares are listed on any recognised stock exchange , shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub -section (2) of section 11 of the Act ;(B)if its shares are not listed on any recognised stock exchange ,shall be construed with reference to the definition of control as provided in sub -section (27) of Section 2 of the Companies Act ,2013 (18 of 2013 );(ii)in a case other than that of a body corporate ,shall be construed as any change in its legal formation or ownership or change in controlling interest .Explanation - For the purpose of sub -clause (ii), the expression “controlling interest " means an interest , direct or indirect ,to the extent of not less than fifty percent of voting

rights or interest ;

**16. In the Securities and Exchange Board of India (Depositories and Participants ) Regulations ,2018 ,the clause**

(f)in sub -regulation (1) of regulation 2,shall be omitted .Amendment to the Securities and Exchange Board of India (Portfolio Managers ) Regulations ,2020 .

**17. In the Securities and Exchange Board of India (Portfolio Managers ) Regulations ,2020 ,the clause (d) in sub regulation (1) of regulation 2,shall be omitted .**

**18. In the Securities and Exchange Board of India (Portfolio Managers )Regulations ,2020 ,the clause (e)in sub regulation (1)of regulation 2,shall be substituted as under ,namely ,-**

"Change in control" in case of a body corporate –(A)if its shares are listed on any recognised stock exchange ,shall be construed with reference to the definition of control in terms of regulations framed under clause (h)of sub -section (2) of section 11 of the Act ;(B)if its shares are not listed on any recognised stock exchange ,shall be construed with reference to the definition of control as provided in sub -section (27) of Section 2 of the Companies Act ,2013 (18 of 2013. );"Amendment to the Securities and Exchange Board of India (Vault Managers ) Regulations ,2021 .

**19. In the Securities and Exchange Board of India (Vault Managers ) Regulations ,2021 ,the clause (f) sub regulation (1)of regulation 2,shall be substituted as under ,namely ,-**

"Change in control " in case of a body corporate(A)if its shares are listed on any recognised stock exchange , shall be construed with reference to the definition of control in terms of regulations framed under clause (h)of sub -section (2) of section 11 of the Act ;(B)ifits shares are not listed on any recognised stock exchange ,shall be construed with reference to the definition of control as provided in sub -section (27) of Section 2 of the Companies Act , 2013 (18 of 2013. );

**20. In the Securities and Exchange Board of India (Vault Managers ) Regulations , 2021 , in regulation 8,the clause (b) shall be substituted as under ,namely ,-**

(b)the Vault Manager shall obtain prior approval of the Board in case of change in control in such manner as specified by the Board ;"