

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER
(Application No. 6909/ 2022)**

**On the application submitted by
BNP Paribas Arbitrage
Settlement Order No.: SO/BM/JR/2022-23/6909**

1. Securities and Exchange Board of India (hereinafter referred to as **SEBI**) initiated adjudication proceedings under section 15HB of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”) against **BNP Paribas Arbitrage** (hereinafter referred to as “**Noticee/ applicant/ You** ”) for alleged violation of regulation 21 of SEBI (Foreign Portfolio Investors) Regulations, 1992 (hereinafter referred to as “**FPI Regulations**”) and clause 3(iv) of (v) of Part D of SEBI Operational Guidelines issued vide Circular dated November 5, 2019.
2. SEBI appointed the undersigned as the Adjudicating Officer (AO) vide communique dated November 1, 2021 under section 15-I of SEBI Act read with Rule 3 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “**Adjudication Rules, 1995**”) to inquire into and adjudge under section 15HB of SEBI Act, for the alleged violation of regulation 21 of FPI Regulations and clause 3(iv) of (v) of Part D of SEBI Operational Guidelines issued vide Circular dated November 5, 2019.
3. A Show Cause Notice Ref. No. SEBI/EAD-3/BM/LD/13186/2022 dated March 25, 2022 (hereafter referred to as “**SCN**”) was issued to Noticee in terms of the provisions of Rule 4 of the Adjudication Rules, 1995 calling upon the Noticee to show cause why an inquiry should not be held and penalty not be

imposed, under section 15HB of SEBI Act for the alleged violation of the aforesaid provisions.

4. Pending Adjudication Proceedings, the Noticee proposed to settle the instant proceedings initiated against it, without admitting or denying the findings of facts and conclusions of law, through a settlement order and filed a settlement application with SEBI bearing Settlement Application No. 6909/2022 dated May 31, 2022 in terms of the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”).
5. After attending meeting with the Internal Committee of SEBI on July 27, 2022 in terms of the Settlement Regulations, Noticee vide letter dated August 17, 2022, proposed revised settlement terms. The High Powered Advisory Committee (hereinafter referred to as '**HPAC**') in its meeting held on September 22, 2022, considered the settlement terms proposed and recommended that the case may be settled upon payment of INR 25,08,000/- (Rupees Twenty Five Lakh and Eight Thousand Only) by the Noticee as settlement amount towards the settlement terms.
6. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on October 11, 2022 and the same was communicated by SEBI to applicants on October 18, 2022. Subsequently, the applicant vide email dated November 15, 2022 informed about the remittance of the settlement amount, the receipt of which is confirmed.
7. Therefore, in view of the acceptance of the settlement terms and the receipt of settlement amount as above by SEBI, the instant adjudication proceedings initiated against BNP Paribas Arbitrage vide SCN dated March 25, 2022 is disposed of in terms of section 15JB of the SEBI Act read with regulation 23(1) of the Settlement Regulations on the basis of the settlement terms.
8. This order is without prejudice to the right of SEBI to take enforcement actions, in terms of regulation 28 of the Settlement Regulations, including restoring or

initiating the proceedings in respect to which the settlement order was passed against the applicant, if:

- i. it comes to the notice of the Board that the applicant has not made full and true disclosure;
- ii. applicant has violated the undertakings or waivers:

9. This settlement order is passed on this day of **November 17, 2022** and shall come into force with immediate effect.

10. In terms of regulation 25 of the Settlement Regulations, copies of this order are being sent to the applicant viz. BNP Paribas Arbitrage and also to SEBI.

Date: November 17, 2022

Place: Mumbai

BARNALI MUKHERJEE

ADJUDICATING OFFICER