



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

CIR/MRD/ICC/ 29 /2012

November 7, 2012

**The Managing Director/Executive Director,
All Stock Exchanges.**

Dear Madam/Sir,

Subject: Arbitration Mechanism in Stock Exchanges

1. Reference may be made to circular no. CIR/MRD/DSA/29/2010 dated August 31,2010. In this regard, SEBI has received inputs regarding amount to be deposited by the investors at the time of making arbitration reference. Accordingly, para 7.2 of the circular no. CIR/MRD/DSA/29/2010 dated August 31,2010 is being modified. The para 7.2 of aforementioned circular dated August 31, 2010 shall now read as under:

"7.2 A client, who has claim / counter claim upto Rs. 10 lakh and files arbitration reference, shall be exempt from the deposit. Expenses thus arising with regard to such applications shall be borne by the Stock Exchanges."

2. The stock exchanges are advised to:-
- make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately;
 - bring the provisions of this circular to the notice of the members of the stock exchange and also to disseminate the same through their website; and
 - communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Reports to SEBI.
3. SEBI inspection of stock exchange shall cover implementation of this circular.
4. This Circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with 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 market and shall come into effect immediately.

5. This Circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,
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Copy to: All SEBI recognized Investor Associations