Swift India
CORPORATE SERVICES LLP

Swift e-Bulletin
Edition 30th 22-23
Week – October 24th to October 28th

Quote for the week:

“Out of the mountain of despair, a stone of hope.”

– Martin Luther King Jr.

Introduction

We welcome you to our weekly newsletter!

The ‘Swift e-Bulletin’ - weekly newsletter, covers all regulatory updates and critical judgements passed during the week. We hope that you liked our previous editions and found it to be of great value in its content. We want this newsletter to be valuable for you so, please share your feedback and suggestions to help us improve.

Further, various regulatory authorities have been proactive in bringing significant regulatory changes in recent challenging times. This week’s newsletter covers various Circulars/notifications issued by certain regulatory authorities such as the Securities and Exchange Board of India (“**SEBI**”).

The Regulatory authorities provided various updates/relaxations, some of which being:

- **SEBI vide Circular dated October 27, 2022 issued a clarification on block mechanism in demat account of clients undertaking sale transactions.**

We have prepared a comprehensive summary for quick reference of the aforesaid updates and Judgements / orders issued during the week of October 24 to October 28, 2022.

Thank you,
Swift team

Table of Contents

REGULATORY UPDATES

SEBI

1. **SEBI vide Circular dated October 27, 2022 issued a clarification on block mechanism in demat account of clients undertaking sale transactions.**

- SEBI vide Circular dated October 27, 2022 issued a clarification on block chain mechanism in demat account of clients undertaking sale transactions.

- SEBI vide Circular dated July 16, 2021 introduced block mechanism in the demat account of clients undertaking sale transactions, for ease of operations in early pay-in mechanism and the same was introduced on optional basis.

- Subsequently, SEBI vide Circular no. SEBI/HO/MIRSD/DoP/P/CIR/2022/109 dated August 18, 2022 made the facility of block mechanism mandatory for all early pay-in transactions

- SEBI received various representations from depositories and custodians owing to which it clarified that the Block mechanism will not be mandatory to clients having arrangements with custodians registered with SEBI for clearing and settlement of trades.

- All the market participants like the depositories, clearing corporations, stock exchanges and depositories will have to put in place the proper mechanisms for effective implementation of the circular.

- Stock Exchanges and Depositories are directed to:

  - bring the provisions of this circular to the notice of their members / participants and also disseminate the same on their websites;

  - make necessary amendments to the relevant Byelaws, Rules and Regulations for the implementation of the above decision.

  - communicate to SEBI, the status of the implementation of the provisions of this Circular on November 15, 2022and in their Monthly Development Reports

- The aforesaid Circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, and Section 19 of the

Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets

To read the Circular in detail, please click here**.**

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About Swift

Swift India Corporate Services LLP ("Swift") (Formerly known as SwiftIndiaInc Corporate Services Private Limited) established in the year 2005, is an associate entity of Nishith Desai Associates — Legal & Tax Counseling Worldwide (legal and tax consulting firm).

We are a team of professionals with rich corporate, legal and secretarial backgrounds. We are a premier corporate compliance firm that caters to the needs and demands of our global clients. Swift aims to provide quick and pragmatic corporate solutions alongside high-quality compliances.

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