



SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

SEBI has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) on September 2, 2015, after following the consultation process. A time period of ninety days has been given for implementing the Regulations. However, two provisions of the regulations, which are facilitating in nature, are applicable with immediate effect. These pertain to (i) passing of ordinary resolution instead of special resolution in case of all material related party transactions subject to related parties abstaining from voting on such resolutions, in line with the provisions of the companies Act, 2013, and (ii) re-classification of promoters as public shareholders under various circumstances.

The Listing regulations would consolidate and streamline the provisions of existing listing agreements for different segments of the capital market viz. Equity (including convertibles) issued by entities listed on the Main Board of the Stock Exchanges, Small and Medium Enterprises listed on SME Exchange and Institutional Trading Platform, Non-Convertible Debt Securities, Non Convertible Redeemable Preference Shares, Indian Depository Receipts, Securitised Debt Instruments and Units issued by Mutual Fund Schemes. The Regulations have thus been structured to provide ease of reference by consolidating into one single document across various types of securities listed on the Stock exchanges.

The Listing Regulations have been sub-divided into two parts viz.,(a) substantive provisions incorporated in the main body of Regulations; (b) procedural requirements in the form of Schedules to the Regulations.

The main features of these regulations are as follows:

- 1. Guiding Principles (Chapter II):** The regulations start by providing broad principles (in line with IOSCO Principles) for periodic disclosures by listed entities and also have incorporated the principles for corporate governance (in line with OECD principles). These principles underlie specific requirements prescribed in different chapters of the Regulations. In the event of the absence of specific requirements or ambiguity, these principles would serve to guide the listed entities.
- 2. Common obligations applicable to all listed entities (Chapter III):** Obligations which are common to all listed entities have been enumerated. These include general obligation of compliance of listed entity, appointment of common compliance officer, filings on electronic platform, mandatory registration on SCORES, etc.

3. **Obligations which are applicable to specific types of securities (Chapter III to IX):** Obligations which are applicable to specific types of securities have been incorporated in separate chapters
4. **Obligations of stock exchanges and provisions in case of default (Chapter X & XI):** Stock Exchanges have been given responsibility to monitor compliance or adequacy / accuracy of compliance with provisions of these regulations and to take action for non-compliance.
5. **Ease of Reference::** The related provisions have been aligned and provided at a common place for ease of reference. For example, all clauses dealing with disclosure of events or information which may be material or price sensitive spread across the Listing Agreement have been provided as a schedule to the regulations. All disclosures required to be made on the website of the listed entity have been enumerated at a single place for ease of reference and all requirements pertaining to disclosures in annual report have been combined.
6. **Streamlining and segregation of initial issuance/listing obligations:** In order to ensure that there is no overlapping or confusion on the applicability of these regulations, pre-listing requirements have been incorporated in respective regulations viz. ICDR Regulations, ILDS Regulations, etc These provisions pertain to allotment of securities, refund and payment of interest, 1% Security Deposit (in case of public issuance), etc. Post-listing requirements have been incorporated in Listing Regulations.
7. **Alignment with provisions of Companies Act, 2013:** Wherever necessary, the provisions in Listing Regulations have been aligned with those of the Companies Act, 2013.
8. **Listing Agreement-** A shortened version of the Listing Agreement (2 page approximately) will be prescribed which will be required to be signed by a company getting its securities listed on Stock Exchanges. Existing listed entities will be required to sign the shortened version within six months of the notification of the regulations.

Mumbai

September 03, 2015
