



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/9

January 09, 2023

To,

Recognised Stock Exchanges and Clearing Corporations;  
Registered Depositories;

Madam/ Sir,

**Sub: Mode of settlement for trades executed on the Request for Quote (RFQ) platform**

1. SEBI vide circular no. SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/142 dated October 19, 2022 on '*Request for Quote (RFQ) platform for trade execution and settlement of trades in listed Non-convertible Securities, Securitised Debt Instruments, Municipal Debt Securities and Commercial Paper*' has permitted stock brokers registered under the debt segment of the Stock Exchange(s) to place/ seek bids on the RFQ platform on behalf of client(s), in addition to the existing option of placing bids in a proprietary capacity.
2. Further, SEBI vide circular no. SEBI/HO/DDHS/P/CIR/2022/00144 dated October 28, 2022 on '*Reduction in denomination for debt securities and non-convertible redeemable preference shares*' *inter-alia* modified the face value of the listed debt security and non-convertible redeemable preference share issued on private placement basis traded on a stock exchange or OTC basis from Rs. Ten Lakh to Rs. One lakh.
3. Furthermore, SEBI vide circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2022/154 dated November 14, 2022 on '*Registration and regulatory framework for Online Bond Platform Providers*' *inter-alia* stipulated that all the orders with respect to listed debt securities placed on an online Bond Platform shall be mandatorily routed through the RFQ platform of the recognised Stock Exchange(s) and settled through the respective Clearing Corporations.
4. As a matter of practice, presently, Stock Exchanges are using Real-Time Gross Settlement (RTGS) channel as a mode of settlement for trades executed on the RFQ platform with respect to listed corporate bonds, commercial paper, and securitised debt instruments. Stock Exchanges and market participants have sought clarification as to whether payment mechanisms other than RTGS provided by banks/ payment aggregators can be permitted for settlement of trades executed on the RFQ platform.

5. It is clarified that, in addition to the existing payment mechanisms, payment mechanisms provided by banks/ payment aggregators authorised by Reserve Bank of India, from time to time, may be used for settlement of trades executed on the RFQ platform.
6. The Stock Exchanges and Clearing Corporations are directed to:
  - 6.1. put in place necessary infrastructure for this purpose.
  - 6.2. bring the provisions of this circular to the notice of the Stock Brokers and also disseminate the same on their websites; and
  - 6.3. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above directions in coordination with one another to achieve uniformity in approach and communicate to SEBI.
7. This circular shall come into force with immediate effect.
8. The 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 Regulation 55 (1) of the SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021, Regulation 29 of the SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 and Regulation 48 of the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
9. This Circular is available at [www.sebi.gov.in](http://www.sebi.gov.in) under the link "Legal→Circulars".

Yours faithfully,

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