



CONSULTATIVE PAPER ON PROPOSED SEBI (FIDUCIARIES IN THE SECURITIES MARKET) (AMENDMENT) REGULATIONS

1. BACKGROUND

- 1.1 Investor confidence is fundamental to the successful operation of securities market. That confidence depends on investors having credible and reliable financial information when making decisions about capital allocation.
- 1.2 In pursuit of the objectives of SEBI (to protect the interests of investors in securities and to promote the development of and to regulate the securities market), it is important to ensure full, timely, and accurate disclosure of financial results and other information that is material to investors' decisions. Full and fair disclosure is essential to investor protection, enhances investor confidence, and promotes market liquidity and efficiency.
- 1.3 An issuer may issue securities after making the required disclosures and after complying with applicable SEBI Regulations. In pursuit of the objective of the SEBI Act, SEBI has made various Regulations:
- a) to facilitate raising of capital through issue of various securities, such as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, etc.
 - b) for channelization of savings of investors in the securities market through pooled Investment Vehicles, such as SEBI (Mutual Funds) Regulations, 1996, SEBI (Alternative Investment Funds) Regulations, 2012, etc.;
 - c) to facilitate corporate restructuring such as SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Buy Back of Securities) Regulations, 1998, SEBI (Delisting of Equity Shares) Regulations, 2009;



- d) for regulating intermediaries in the Securities Market, such as SEBI (Portfolio Managers) Regulations, 1993, SEBI (Merchant Bankers) Regulations, 1992, SEBI (Stock Brokers and Sub-brokers) Regulations, 1992, etc.

1.4 The Regulations relating to the issue of capital mainly follow a disclosure based regime and investors rely upon the offer documents and financial statements which are audited/examined/vetted by various fiduciaries such as Chartered Accountant, Company Secretary, Valuer etc. and also by various intermediaries in the securities market. Various fiduciaries undertake assignments and engagements under these Regulations and provide various certificates and reports to issuers, companies, intermediaries, pool investment vehicles, investor in the securities market, etc. For example, the certificate requirement specified under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 is under:

Sr. No.	Certification requirement specified under the SEBI ICDR Regulations	Certifying entity	Regulation reference
1.	Promoters' Contribution: Promoters' contribution has been received, accompanying therewith the names and addresses of the promoters who have contributed to the promoters' contribution and the amount paid by each of them towards such contribution	Chartered Accountant	Reg. 8(2)(d)
2.	Use of proceeds: The monitoring agency shall submit its report to the issuer in the format specified in Schedule IX on a quarterly basis, till at least ninety five percent of the proceeds of the issue	Monitoring agency	Reg. 16(2)
3.	Cash flow and Liquidity position: An auditors' certificate on the cash flow of the issuer and with comments on the liquidity position of the issuer	Statutory Auditor	Reg. 21(1)(b)
4.	Revision of accounts of partnership firm to format specified under Cos. Act: Certificate certifying financials statements and disclosures are in accordance with Cos. Act requirements and accounting standards have been followed	Chartered Accountant	Explanation III(b) to Reg. 26



Sr. No.	Certification requirement specified under the SEBI ICDR Regulations	Certifying entity	Regulation reference
5.	Conversion price: Conversion of debt into securities pursuant to debt restructuring scheme. The conversion price shall be certified by two independent valuers.	Independent Qualified Valuer	Reg. 70(5)(b)
6.	Issue price: Preferential issue to persons at the time of lenders selling their holding pursuant to debt restructuring scheme. The issue price shall be certified by two independent valuers.	Independent Qualified Valuer	Reg. 70(6)(b)
7.	Compliance for Preferential issue: The issuer shall place a copy of the certificate of its statutory auditor before the general meeting of the shareholders, considering the proposed preferential issue, certifying that the issue is being made in accordance with the requirements of these regulations.	Statutory Auditor	Reg. 73(2)
8.	76A Pricing of equity shares – Infrequently traded shares Issuer shall submit a certificate stating that the issuer is in compliance of Regulation 76A, obtained from an independent merchant banker or an independent chartered accountant in practice having a minimum experience of ten years, to the stock exchange where the equity shares of the issuer are listed.	Independent Merchant Banker/ Chartered Accountant	Reg. 76A
9.	Compliance: The issuer shall submit a certificate of the statutory auditor to the stock exchange where the equity shares of the issuer are listed stating that the issuer is in compliance of sub-regulation (5) of Regulation 77 and the relevant documents thereof are maintained by the issuer as on the date of certification	Statutory Auditor	Reg. 77(6)
10	Receipt of promoter contribution: Certification for receipt of promoter contribution atleast one day prior to issue opening	Statutory Auditor	Schedule VI, Form A, point 7
11	Sources of funds & deployment on project: The details of the sources of funds and the deployment of these funds on the project (where the issuer is raising capital for a project), up to a date not earlier than two months from the date of registering the offer	Chartered Accountant	Schedule VIII, Part A, clause VII(F)(1)



Sr. No.	Certification requirement specified under the SEBI ICDR Regulations	Certifying entity	Regulation reference
	document with the Registrar of Companies, as certified by a Chartered Accountant, along with the name of the chartered accountant and the date of the certificate		
12	Tax Benefits: Any special tax benefits for the issuer and its shareholders	Auditor/ Chartered Accountant	Schedule VIII, Part A, clause VII,(L)
13	Financial Statements: The financial informations specified in Financial Statements section of the regulation shall be certified by only those auditors who have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI	Statutory Auditor	Schedule VIII, Part A, clause IX, note 1
14	Financial Statements: All financial information specified in the Financial Statements section of the regulation must be re-audited for one full financial year and the stub period, by the auditor certifying them in case where the financial statements were audited by an auditor who had not been subjected to peer review process of ICAI	Statutory Auditor	Schedule VIII, Part A, clause IX, note 2
15	Examination Report: Certificate from the auditors that such accounts have been examined and found correct by them	Statutory Auditor	Schedule VIII, Part A, clause IX(B)(1)(b)
16	Proforma Financial Statements	Statutory Auditor	Schedule VIII, Part A, clause IX(B)(23)
17	Proforma Financial Statements: Acquisition or divestment does not fulfill the tests of materiality	Statutory Auditor	Schedule VIII, Part A, clause IX(B)(23)
18	Use of funds: Details of utilisation of the funds raised through the convertible debt instruments duly certified by the statutory auditors	Statutory Auditor	Schedule VIII, Part A, clause XII (B)(30)
19	Use of funds: Details of utilisation of the funds raised through the convertible debt instruments duly certified by the statutory auditors	Statutory Auditor	Schedule VIII, Part E, clause XVII



Sr. No.	Certification requirement specified under the SEBI ICDR Regulations	Certifying entity	Regulation reference
			(F)(1)
20	Requirement for subsidiaries/ associates audit (IDR issues): If the subsidiaries and associates are not required to prepare such audited statements as per the laws prevailing in those countries, the same may be certified as true and correct by the Board of Directors and the management of such companies, provided a certificate from a certified public accountant or equivalent practicing in the concerned country is submitted to the Board.	Public Accountant	Schedule XIX, Part A, clause 19
21	Revaluation: Revaluation certificate of Issuing Company's assets given by the Government Valuer or any other approved valuer	Valuer	Schedule XIX, Part C, Annexure to the due diligence certificate, point 16

1.5 Similar assignments and engagements are taken by the fiduciaries under other Regulations.

The fiduciaries also play an important role in respect of intermediaries. These fiduciaries periodically conduct audit of the books of accounts and issue compliance certificates as to whether the intermediary has maintained the required net-worth, whether risk management systems are in place, whether the intermediary has a robust mechanism for redressal of investor grievances or maintain records as per the regulations etc.

1.6 Some of the fiduciaries such as Merchant Bankers, Credit Rating Agencies, Custodian, Debenture Trustees, Registrar to an Issue, etc. are registered and regulated by SEBI under specific Regulations notified for the said purpose.

1.7 On the other hand there are, certain other fiduciaries such as Practicing Chartered Accountants, Practicing Company Secretaries, Cost Accountants, Valuers, Monitoring Agencies, etc. that are neither registered nor regulated by SEBI. However, as per the various SEBI Regulations, they are engaged by the issuers, intermediaries, pool investment vehicles,



investor in the securities market, etc. to issue certificates or reports as required under the respective regulations, similar to that as has been elaborated in the table at para 1.4.

1.8 Recommendation and rationale of Kotak Committee:

The Committee on Corporate Governance headed by Mr. Uday Kotak while considering measure to strengthening monitoring, oversight and enforcement related to accounting and audit related issues by SEBI, recommended that –

Given SEBI's mandate to protect the interests of investors in the securities market and regulating listed entities, the Committee recommends that SEBI should have clear powers to act against auditors and other third party fiduciaries with statutory duties under securities law, subject to appropriate safeguards. This power ought to extend to act against the impugned individual(s), as well as against the firm in question with respect to their functions concerning listed entities. This power should be provided in case of gross negligence as well, and not just in case of fraud/connivance.

1.9 The SEBI Act, 1992 empowers SEBI to issue directions to any person associated with the securities market (including fiduciaries in the securities market), in the interest of investors or for the orderly development of securities market. Under these provisions, SEBI, through its enforcement proceedings has taken action in the past, against various fiduciaries in the securities market. However, since these fiduciaries in the securities market are not specifically registered with SEBI or regulated by SEBI under any Regulations notified for the said purpose, there may be a need to clarify and specify the actions that may be taken by SEBI against such fiduciaries in case they submit false reports or certificates etc.

2. SCOPE

2.1 This paper and the proposed amendment in various Regulations concern those entities who undertake third party fiduciary duties/assignments/engagements under the securities laws, in respect of any Issuer, Pooled Investment Vehicle, Restructuring, Intermediaries, Market Infrastructure Entities or investors in the securities.



2.2 The draft Amendment Regulations (Annexure) proposes to amend various Regulations to provide that when a fiduciary undertakes any engagement/assignment under the securities laws, in respect of any Issuer, Pooled Investment Vehicle, restructuring, intermediary or investors in securities and issues any certificate, report etc., such a fiduciary shall ensure that it is true in all material respects. In terms of the draft Amendment Regulations, the following Regulations are proposed to be amended:

a) Regulations relating to issue of securities:-

- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,
- SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009,
- SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015,
- SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013,
- SEBI (Issue and Listing of Debt Securities) Regulations, 2008,
- SEBI (Issue of Sweat Equity) Regulations, 2002,
- SEBI (Share Based Employee Benefits) Regulations, 2014,

b) Regulations relating to Pooled Investment Vehicle:-

- SEBI (Mutual Funds) Regulations, 1996,
- SEBI (Infrastructure Investment Trusts) Regulations, 2014,
- SEBI (Real Estate Investment Trusts) Regulations, 2014,
- SEBI (Alternative Investment Funds) Regulations, 2012,
- SEBI (Collective Investment Scheme) Regulations, 1999,
- SEBI (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008,

c) Regulations relating to restructuring

- SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011,
- SEBI (Delisting of Equity Shares) Regulations, 2009,
- SEBI (Buy Back of Securities) Regulations, 1998,

d) Regulations relating to Intermediaries

- SEBI (Merchant Bankers) Regulations, 1992,



- SEBI (Stock Brokers and Sub-brokers) Regulations, 1992,
 - SEBI (Research Analysts) Regulations, 2014,
 - SEBI (Investment Advisers) Regulations, 2013,
 - SEBI (Credit Rating Agencies) Regulations, 1999,
 - SEBI (Custodian of Securities) Regulations, 1996,
 - SEBI (Depositories and Participants) Regulations, 1996,
 - SEBI (Debenture Trustees) Regulations, 1993,
 - SEBI (Portfolio Managers) Regulations, 1993,
 - SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993,
 - SEBI (Underwriters) Regulations, 1993,
- e) Regulations relating to Financial Market Infrastructure
- Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012,
 - SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011,
 - SEBI (Self-Regulatory Organizations) Regulations, 2004,
- f) Other Regulations
- SEBI (Regulatory Fee on Stock Exchanges) Regulations, 2006.

3. EXTRACT OF THE PROPOSED AMENDMENT

3.1 The proposed Amendment Regulations specifies that a fiduciary who submits or issues any certificate or report as required under these aforesaid Regulations shall -

- a) ensure that such a certificate or report is true in all material respects;
- b) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- c) report in writing to the Audit Committee of the listed company or to the compliance officer in case of an intermediary, Trustee in case of pooled investment vehicle, as the case may be, any material violation of securities laws, noticed while undertaking such an assignment.



3.2 It is also proposed to be clarified that the Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted false certificate or report or has violated any of the provisions of these regulations, the Board may take appropriate action under the concerned securities laws against the fiduciary, its engagement partner or director, as the case may be.

4. PUBLIC COMMENTS

Draft Regulations have been prepared on the above lines and is placed in the **Annexure**. Comments are invited on the aforesaid consultative paper and the proposed draft Regulations in the following format:

<u>Name:</u>			
Sr. No.	Relevant regulation / clause/ point	Comments and suggested changes, if any	Rationale

The comments may either be forwarded by email to sebidop@sebi.gov.in or may be sent by post to the following address latest by August 12, 2018.

Vijaykrishnan G
General Manager
Legal Affairs Department, Division of Policy
Securities and Exchange Board of India
SEBI Bhavan, Plot No. C4-A, "G" Block,
Bandra Kurla Complex,
Bandra (East), Mumbai -400 051

Issued on: July 13, 2018



SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 2018

**SECURITIES AND EXCHANGE BOARD OF INDIA (FIDUCIARIES) (AMENDMENT)
REGULATIONS, 2018**

No. - In exercise of the powers conferred by section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) and section 25 of the Depositories Act, 1996 (22 of 1996), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015, Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, Securities and Exchange Board of India (Research Analysts) Regulations, 2014, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011, Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, Securities Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008, Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) Regulations, 2006, Securities and Exchange Board of India (Self-Regulatory Organizations) Regulations, 2004, Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002, Securities and Exchange Board of India (Collective Investment Scheme) Regulations, 1999, Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999, Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Securities and Exchange Board of India (Mutual Funds) Regulations, 1996,



Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, Securities and Exchange Board of India (Underwriters) Regulations, 1993, Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992, Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, namely, -

1. These Regulations may be called the Securities and Exchange Board of India (Fiduciaries) (Amendment) Regulations, 2018.
2. They shall come into force on the date of their publication in the Official Gazette

Amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

3. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, -
 - I. in regulation 2, in sub-regulation (1) after clause (h), the following clause and provision thereof shall be inserted, namely,-

"(ha) "Engagement partner" means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

- II. in sub-regulation (1) after clause (ha) ,the following clause and provision thereof shall be inserted, namely,-

"(hb) "fiduciary" means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;



- b. Company Secretary;
 - c. Valuer;
 - d. Monitoring Agency;
 - e. Cost Accountant; and
 - f. Appraising agency or appraisal agency."
- III. After Chapter X, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter XA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

97A A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) comments or report in respect of statement of deviation,
- (iii) certificate in respect of maintenance or utilisation of funds,
- (iv) comments or reports for utilisation of proceeds of a public or rights issue,
- (v) compliance certificate of conditions of corporate governance, or
- (vi) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report, as the case may be;
- (b) ensure that such a certificate or report issued by it is true in all material respect; and
- (c) report in writing to the Audit Committee of the listed company, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention



97B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of this Regulations, may take appropriate action under securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

4. In the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009,-

I. in the regulation 2, sub-regulation (1) after clause (m), the following clause and provision thereof shall be inserted, namely,-

"(ma) "Engagement partner" means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, sub-regulation (1) after clause (ma) ,the following clause and provision thereof shall be inserted, namely,-

"(mb) "fiduciary" means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and



f. Appraising agency or appraisal agency."

III. after the Chapter XI, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter XIA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

110A. A fiduciary who submits or issues any certificate or report such as :-

- (i) audit report,
- (ii) certificate that promoters' contribution has been received in accordance with these regulations,
- (iii) certificate with respect of use of proceeds of the issue,
- (iv) auditor's certificate on the cash flow of the issuer in an issue,
- (v) comments on the liquidity position of the issuer,
- (vi) certificate with respect to the financial statements,
- (vii) certificate to the effect that the issue is being made in accordance with the requirements of these regulations,
- (viii) auditor's certificate regarding tax-benefits available to the Issuing Company, shareholders and debenture holders,
- (ix) comments or reports for utilisation of proceeds of the issue,
- (x) compliance certificate or report,
- (xi) certificate on conversion price,
- (xii) certificate on issue price,
- (xiii) certificate on source of funds and deployment of the fund on project,
- (xiv) examination report, or
- (xv) any other report or certificate

shall :

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;



- (b) ensure that such a certificate or report issued by it, is true in all material respect;
and
- (c) report in writing to the Audit Committee of the company, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

110B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of this Regulations, may take appropriate action under securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015

- 5. In the Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015, -
 - I. in the regulation 2, sub-regulation (1) after clause (f), the following clause and provision thereof shall be inserted, namely,-

"(fa) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

- II. in the regulation 2, in sub-regulation (1) after clause (fa) ,the following clause and provision thereof shall be inserted, namely,-



"(fb) **"fiduciary"** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter VII, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VIIA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

27A A fiduciary who submits or issues any certificate or report such as :-

- (i) audit report,
- (ii) viability certificate,
- (iii) certificate for timely servicing of bonds,
- (iv) certificate on utilizations of the issue proceeds,
- (v) certificate for timely servicing of bonds,
- (vi) audit report of the escrow and project account,
- (vii) certificate on project development, or
- (viii) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;



- (b) ensure that such a certificate or report issued by it, is true in all material respect; and
- (c) report in writing to the lead merchant banker, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

27B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of this Regulations, may take appropriate actions under securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014

- 6.** In the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014,-
 - I. in the regulation 2, in sub-regulation (1) after clause (o), the following clause and provision thereof shall be inserted, namely,-

"(oa) "Engagement partner" means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

- II. in the regulation 2, in sub-regulation (1) after clause (oa), the following clause and provision thereof shall be inserted, namely,-

"(ob) "fiduciary" means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:



- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. an Appraising agency or appraisal agency."

III. after the Chapter VIII, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VIIIA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

32A A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) net-worth certificate,
- (iii) projections of revenue and operating cash flows,
- (iv) confirmation that transactions carried out between the investment manager and its associates or the project manager and its associates, are on arm's length basis,
- (v) completion certificate, or
- (vi) any other certificate or report,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect; and
- (c) report in writing to the trustees and investment manager, any material violation of securities laws, noticed while undertaking such an assignment.



Action in case of contravention

32B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of this Regulations, may take appropriate actions under securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

7. In the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, -

I. in the regulation 2, in sub-regulation (1) after clause (l), the following clause and provision thereof shall be inserted, namely,-

"(la) **"Engagement partner"** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, in sub-regulation (1) after clause (la), the following clause and provision thereof shall be inserted, namely,-

"(lb) **"fiduciary"** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;



- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter VIII, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VIIIA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

32A A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) net-worth certificate,
- (iii) projections of income of the REIT,
- (iv) confirmation that transactions carried out between the manager and its associates, or
- (v) any other certificate or report

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect; and
- (c) report in writing to the trustee, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

32B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of this Regulations, may take appropriate actions under securities laws, against the fiduciary, its engagement partner or director, as the case may be."



Amendments to Securities and Exchange Board of India (Research Analysts) Regulations, 2014

8. In the Securities and Exchange Board of India (Research Analysts) Regulations, 2014, -

I. in the regulation 2, sub-regulation (1) after clause (f), the following clause and provision thereof shall be inserted, namely,-

"(fa) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, in sub-regulation (1) after clause (fa), the following clause and provision thereof shall be inserted, namely,-

"(fb) **“fiduciary”** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter V, the following new Chapter and regulations thereunder shall be inserted, namely,-

"Chapter VA



FIDUCIARY

Certificates/ Reports issued by Fiduciary

32A. A fiduciary who submits or issues any certificate or report such as:-

- (i) compliance report,
- (ii) net-worth certificate,
- (iii) or any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect; and
- (c) report in writing to the compliance officer, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

32B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

- 9.** In the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, -
- I. in the regulation 2, sub-regulation (1) after clause (h), the following clause and provision thereof shall be inserted, namely,-



"(ha) "Engagement partner" means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, in sub-regulation (1) after clause (k) ,the following clause and provision thereof shall be inserted, namely,-

"(ka) "fiduciary" means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency.

III. after the Chapter III, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter IIIA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

27A A fiduciary who submits or issues any certificate or report such as:-

- (i) certificate from the auditors of the company that the scheme(s) has been implemented in accordance with these regulations and in accordance with the resolution of the company in the general meeting, or
 - (ii) any other report or certificate,
- shall:



- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it is true in all material respect; and
- (c) report in writing to the Audit Committee of the company, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

27B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of this Regulations, may take appropriate action under securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013

10. In the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, -

- I. in the regulation 2, in sub-regulation (1), after clause (g) and before clause (h), the following clauses shall be inserted, namely,-

"(ga) "Engagement partner" means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;

(gb) "fiduciary" means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;



- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

II. after the Chapter V and before Chapter VI, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

28A. A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) certificate of assets and liabilities,
- (iii) certificate of net tangible assets,
- (iv) net-worth certificate,
- (v) compliance certificate, or
- (vi) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect; and
- (c) report in writing to the compliance officer, any material violation of securities laws, noticed while undertaking such an assignment.



Action in case of contravention

28B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013

11. In the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013,-

I. in the regulation 2, in sub-regulation (1) after clause (g), the following clause and provision thereof shall be inserted, namely,-

"(ga) **"Engagement partner"** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, in sub-regulation (1) after clause (ga), the following clause and provision thereof shall be inserted, namely,-

"(gb) **"fiduciary"** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;



- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter VI, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VIA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

23A. A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) valuation report,
- (iii) compliance report, or
- (iv) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of a certificate or report;
- (b) ensure that such a certificate or report issued by it is true in all material respect; and
- (c) report in writing to the lead merchant banker, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

23B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."



Amendments to the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

12. In the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, -

I. in the regulation 2, sub-regulation (1) after clause (g), the following clause and provision thereof shall be inserted, namely,-

"(ga) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, in sub-regulation (1) after clause (ga), the following clause and provision thereof shall be inserted, namely,-

"(gb) **“fiduciary”** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter V, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary



28A. A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) valuation certificate, or
- (iii) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it is true in all material respect; and
- (c) report in writing to the trustee, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

28B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012,

13. In the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012,-

- I. in the regulation 2, sub-regulation (1) after clause (g), the following clause and provision thereof shall be inserted, namely,-

"(ga) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the



report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, in sub-regulation (1) after clause (ga), the following clause and provision thereof shall be inserted, namely,-

"(gb) **"fiduciary"** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter VII, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VIIA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

46A. A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) audited net-worth certificate,
- (iii) appraisal certificate of business feasibility plan,
- (iv) appraisal certificate of business viability plan, or
- (v) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of a certificate or report;



- (b) ensure that such a certificate or report issued by it is true in all material respect; and
- (c) report in writing to the governing board of the recognised stock exchange or recognised clearing corporation, as the case may be, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

46B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate action under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011,

14. In the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011,

- I. in the regulation 2, sub-regulation (1) after clause (g), the following clause and provision thereof shall be inserted, namely,-

"(ga) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

- II. in the regulation 2, sub-regulation (1) after clause (h), the following clause and provision thereof shall be inserted, namely,-



"(ha) **"fiduciary"** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter V, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

31A A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
 - (ii) certificate confirming firm financing arrangements made by the acquirer for the open offer;
 - (iii) valuation certificate if the shares are infrequently traded,
 - (iv) certificate with respect to volume-weighted average market price and the ratio of exchange of shares, certificate with respect to the purchase price,
 - (v) note on taxation, or
 - (vi) any other report or certificate,
- shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;



- (b) ensure that such a certificate or report issued by it is true in all material respect; and
- (c) report in writing to the Audit Committee of the listed company, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

31B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of this Regulations, may take appropriate action under securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011

15. In the Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011,-

- I. in the regulation 2, sub-regulation (1) after clause (g), the following clause and provision thereof shall be inserted, namely,-

"(ga) "Engagement partner" means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

- II. in the regulation 2, sub-regulation (1) after clause (ga) ,the following clause and provision thereof shall be inserted, namely,-

"(gb) "fiduciary" means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:



- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter VII, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VI
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

26. A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) net-worth certificate,
- (iii) audit report of controls, systems, procedures and safeguards,
- (iv) audit report of systems and procedures,
- (v) inspection or investigation report, or

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect; and
- (c) report in writing to the compliance officer, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

27. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these



Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

16. In the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009,

- I. in the regulation 2, sub-regulation (1) after clause (iv), the following clause and provision thereof shall be inserted, namely,-

"(iva) "Engagement partner" means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

- II. in sub-regulation (1) after clause (iva), the following clause and provision thereof shall be inserted, namely,-

"(ivb) "fiduciary" means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency.



- III. in sub-regulation (1) clause (iva), the existing clause shall be renumbered as clause (ivc);
- IV. after the Chapter VII, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VIIA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

28A A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) certificate on computation of floor price,
- (iii) valuation report,
- (iv) note on taxation, or
- (v) any other report or certificate,

shall :

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it is true in all material respect; and
- (c) report in writing to the Audit Committee of the company, any material violation of securities laws, noticed while undertaking any such assignment.

Action in case of contravention

28B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of this Regulations, may take appropriate action under securities laws, against the fiduciary, its engagement partner or director, as the case may be."



Amendments to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

17. In the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,-

I. in the regulation 2, sub-regulation (1) after clause (f), the following clause and provision thereof shall be inserted, namely,-

"(fa) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, sub-regulation (1) after clause (fa) ,the following clause and provision thereof shall be inserted, namely,-

"(fb) **“fiduciary”** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter VI, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VIA
FIDUCIARY**



Certificates/ Reports issued by Fiduciary

29A. A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) limited review report,
- (iii) certificate towards utilisation of funds,
- (iv) certificate towards processes for Green Debt Securities, or
- (v) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it is true in all material respect; and
- (c) report in writing to the lead merchant banker any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

29B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008

18. In the Securities Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008,

- I. in the regulation 2, sub-regulation (1) after clause (g), the following clause and provision thereof shall be inserted, namely,-



"(ga) "Engagement partner" means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, sub-regulation (1) after clause (ga) ,the following clause and provision thereof shall be inserted, namely,-

"(gb) "fiduciary" means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter IX, the following new Chapter and regulations thereunder shall be inserted, namely,-

"Chapter IXA FIDUCIARY

Certificates/ Reports issued by Fiduciary

47A A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) certificate regarding the disclosures of underlying asset pool assigned to the securitization trust,
- (iii) inspection report,



(iv) report on the cash flow projections arising from the eligible assets which are the basis of the securitisation together with the basis of the projection, or

(v) any other report or certificate,

shall:

(a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;

(b) ensure that such a certificate or report issued by it, is true in all material respect; and

(c) report in writing to the trustee, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

47B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of this Regulations, may take appropriate actions under securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) Regulations, 2006

19. In the Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) Regulations, 2006,-

- I. in the regulation 2, sub-regulation (1) after clause (c), the following clause and provision thereof shall be inserted, namely,-

"(ca) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the



report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, sub-regulation (1) after clause (ca) ,the following clause and provision thereof shall be inserted, namely,-

"(cb) **"fiduciary"** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter II, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter IIA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

5A. A fiduciary who submits or issues any certificate or report such as:-

- (i) certificate of statement of computation of fees mentioned in sub-regulation (1) shall to be correct, or
- (ii) any other report or certificate, shall:
 - (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of a certificate or report;
 - (b) ensure that such a certificate or report issued by it is true in all material respect; and



- (c) report in writing to the governing board of the recognised stock exchange, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

5B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Self-Regulatory Organizations) Regulations, 2004

20. In the Securities and Exchange Board of India (Self-Regulatory Organizations) Regulations, 2004,-

- I. in the regulation 2, sub-regulation (1) after clause (f), the following clause and provision thereof shall be inserted, namely,-

"(fa) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

- II. in the regulation 2, sub-regulation (1) after clause (fa) ,the following clause and provision thereof shall be inserted, namely,-

"(fb) **“fiduciary”** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;



- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter V, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VI
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

25. A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) inspection report, or
- (iii) any other report or certificate,

shall

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect; and
- (c) report in writing to the Self Regulatory Organization, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

26. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted false certificate or has violated any provision of this Regulations or both, may take appropriate actions under securities laws, against the fiduciary, its engagement partner or director, as the case may be, or both."



Amendments to the Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002

21. In the Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002,-

I. in the regulation 2, sub-regulation (1) after clause (g), the following clause and provision thereof shall be inserted, namely,-

"(ga) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, sub-regulation (1) after clause (h) ,the following clause and provision thereof shall be inserted, namely,-

"(ha) **“fiduciary”** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter IV, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter V
FIDUCIARY**



Certificates/ Reports issued by Fiduciary

21 A fiduciary who submits or issues any certificate or report such as:-

- (i) certificate that the valuation of the intellectual property or other value addition is in accordance with the relevant accounting standards,
- (ii) certificate that the issue of sweat equity shares has been made in accordance with the Regulations and in accordance with the resolution passed by the company, or
- (iii) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report of valuation issued by it, is true in all material respect; and
- (c) report in writing to the Audit Committee of the company, commission of any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

22. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted false certificate or has violated any provision of this Regulations or both, may take appropriate actions under securities laws, against the fiduciary, its engagement partner or director, as the case may be, or both."

Amendments to the Securities and Exchange Board of India (Collective Investment Scheme) Regulations, 1999

22. In the Securities and Exchange Board of India (Collective Investment Scheme) Regulations, 1999,-



I. in the regulation 2, sub-regulation (1) after clause (n), the following clause and provision thereof shall be inserted, namely,-

"(na) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, sub-regulation (1) after clause (na) ,the following clause and provision thereof shall be inserted, namely,-

"(nb) **“fiduciary”** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter IXA, the following new Chapter and regulations thereunder shall be inserted, namely,-

"Chapter IXB FIDUCIARY

Certificates/ Reports issued by Fiduciary

74B. A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) certificate to financial disclosure,



- (iii) certificate to the effect that all the assets of the collective investment scheme are realised,
 - (iv) inspection or investigation report,
 - (v) appraisal report or certificate, or
 - (vi) any other report or certificate,
- shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect; and
- (c) report in writing to the trustees, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

74C. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999

23. In the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999,-

- I. in the regulation 2, sub-regulation (1) after omitted clause (j), the following clause and provision thereof shall be inserted, namely,-

"(ja) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"



II. in the regulation 2, sub-regulation (1) after clause (ja) ,the following clause and provision thereof shall be inserted, namely,-

"(jb) **"fiduciary"** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter VI, the following new Chapter and regulations thereunder shall be inserted, namely,-

"Chapter VII FIDUCIARY

Certificates/ Reports issued by Fiduciary

43. A fiduciary who submits or issues any certificate or report such as

- (i) auditor report,
- (ii) net-worth report,
- (iii) inspection report, or
- (iv) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect; and



- (c) report in writing to the compliance officer any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

44. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996

24. In the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996,-

- I. in the regulation 2, sub-regulation (1) after clause (f), the following clause and provision thereof shall be inserted, namely,-

"(fa) **"Engagement partner"** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

- II. in the regulation 2, sub-regulation (1) after clause (g), the following clause and provision thereof shall be inserted, namely,-

"(ga) **"fiduciary"** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;



- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter V, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VI
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

27. A fiduciary who submits or issues any certificate or report such as

- (i) inspection or investigation report, or
- (ii) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect; and
- (c) report in writing to the compliance officer, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

28. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."



Amendments to the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996

25. In the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996

I. in the regulation 2, sub-regulation (1) after clause (b), the following clause and provision thereof shall be inserted, namely,-

"(ba) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, sub-regulation (1) after omitted clause (c) ,the following clause and provision thereof shall be inserted, namely,-

"(ca) **“fiduciary”** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter VI, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VIA
FIDUCIARY**



Certificates/ Reports issued by Fiduciary

63D. A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) networth certificate,
- (iii) investigation or inspection report,
- (iv) or any other certificate or report,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of a certificate or report;
- (b) ensure that such a certificate or report by it is true in all material respect; and
- (c) report in writing to the Audit Committee of the issuer company or to governing board of the depository, as the case may be, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

63E. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

26. In the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, -

- I. in the regulation 2, in sub-regulation (1) after clause (j), the following clause and provision thereof shall be inserted, namely,-



"(ja) "Engagement partner" means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, in sub-regulation (1) after omitted clause (k), the following clause and provision thereof shall be inserted, namely,-

"(ka) "fiduciary" means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter IX, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter IXA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

76A A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) internal audit reports,
- (iii) compliance certificate or reports,
- (iv) inspection or investigation report,
- (v) net worth certificate, or
- (vi) any other report or certificate,



shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it is true in all material respect; and
- (c) report in writing to the trustees, commission of any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

76B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993

27. In the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993,-

- I. in the regulation 2, in sub-regulation (1) after clause (bb), the following clause and provision thereof shall be inserted, namely,-

"(bc) "Engagement partner" means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

- II. in the regulation 2, in sub-regulation (1) after clause (bc), the following clause and provision thereof shall be inserted, namely,-



"(bd) "fiduciary" means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter V, the following new Chapter and regulations thereunder shall be inserted, namely,-

"Chapter VI FIDUCIARY

Certificates/ Reports issued by Fiduciary

33. A fiduciary who submits or issues any certificate or report such as:

- (i) net worth certificate,
- (ii) certificate giving the value of book debts/ receivables,
- (iii) certificate in respect of utilisation of funds,
- (iv) investigation or inspection report,
- (v) auditor's certificate, or
- (vi) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect; and



- (c) report in writing to the compliance officer, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

34. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993

28. In the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993,-

- I. in the regulation 2, in sub-regulation (1) after clause (af), the following clause and provision thereof shall be inserted, namely,-

"(ag) **"Engagement partner"** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

- II. in the regulation 2, in sub-regulation (1) after clause (ag), the following clause and provision thereof shall be inserted, namely,-

"(ah) **"fiduciary"** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;



- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter V, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VA
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

38A. A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) certificate on the Disclosure Documents,
- (iii) investigation or inspection report, or
- (iv) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect; and
- (c) report in writing to the compliance officer, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

38B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."



Amendments to the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

29. In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993,-

I. in the regulation 2, in sub-regulation (1) after clause (bc), the following clause and provision thereof shall be inserted, namely,-

"(bd) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, in sub-regulation (1) after clause (bd) ,the following clause and provision thereof shall be inserted, namely,-

"(be) **“fiduciary”** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter V, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VI
FIDUCIARY**



Certificates/ Reports issued by Fiduciary

30. A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) net worth certificate,
- (iii) system audit report,
- (iv) investigation or inspection report,
- (v) or any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report of issued by it, is true in all material respect; and
- (c) report in writing to the compliance officer, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

31. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Underwriters) Regulations, 1993

30. In the Securities and Exchange Board of India (Underwriters) Regulations, 1993,-

- I. in the regulation 2, after clause (ad), the following clause and provision thereof shall be inserted, namely,-

"(ae) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the



report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, after clause (ae) ,the following clause and provision thereof shall be inserted, namely,-

"(af) **"fiduciary"** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter V, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VI
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

33. A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) net worth certificate,
- (iii) investigation or inspection report, or
- (iv) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect; and



- (c) report in writing to the compliance officer, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

34. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

31. In the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992,-

- I. in the regulation 2, after sub-regulations (ad), the following sub-regulations and provision thereof shall be inserted, namely,-

"(ae) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

- II. in regulation 2 after sub-regulations (ae) ,the following clause and provision thereof shall be inserted, namely,-

"(af) **“fiduciary”** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;



- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter V, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VI
FIDUCIARY**

Certificates/ Reports issued by Fiduciary

44. A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
- (ii) investigation report,
- (iii) net-worth certificate, or
- (iv) any other report or certificate,

shall:

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect; and
- (c) report in writing to the compliance officer, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

45. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under the securities laws, against the fiduciary, its engagement partner or director, as the case may be."



Amendments to the Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992

32. In the Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992,-

I. in the regulation 2, in sub-regulation (1) after clause (ae), the following clause and provision thereof shall be inserted, namely,-

"(af) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, in sub-regulation (1) after clause (af), the following clause and provision thereof shall be inserted, namely,-

"(ag) **“fiduciary”** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- a. Chartered Accountant including a statutory auditor;
- b. Company Secretary;
- c. Valuer;
- d. Monitoring Agency;
- e. Cost Accountant; and
- f. Appraising agency or appraisal agency."

III. after the Chapter VI, the following new Chapter and regulations thereunder shall be inserted, namely,-

**"Chapter VIA
FIDUCIARY**



Certificates/ Reports issued by Fiduciary

28A A fiduciary who submits or issues any certificate or report such as:-

- (i) audit report,
 - (ii) compliance certificate,
 - (iii) certificate on net worth and deposit requirements,
 - (iv) certificate on financial liability,
 - (v) system audit report,
 - (vi) investigation report,
 - (vii) certificate as to the authenticity of turnover on the basis of which fees have been computed, or
 - (viii) any other report or certificate,
- shall :

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report;
- (b) ensure that such a certificate or report issued by it, is true in all material respect;
- (c) report in writing to the compliance officer of the stock broker, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

28B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of these Regulations, may take appropriate actions under securities laws, against the fiduciary, its engagement partner or director, as the case may be."

Amendments to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

33. In the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, -



I. in regulation 2, in sub-regulation (1) after clause (f), the following clause and provision thereof shall be inserted, namely,-

"(fa) **“Engagement partner”** means the partner or any other person in the firm or limited liability partnership, who is responsible for the engagement or assignment and its performance, and for the report or the certificate, as the case may be, that is issued on behalf of the firm or limited liability partnership, and who, has the appropriate authority from a professional body, if required;"

II. in the regulation 2, sub-regulation (1) after clause (fa), the following clause and provision thereof shall be inserted, namely,-

"(fb) **“fiduciary”** means any person, who is a professional or firm or limited liability partnership of such professional that undertakes an assignment under these Regulations and includes:

- g. Chartered Accountant including a statutory auditor;
- h. Company Secretary;
- i. Valuer;
- j. Monitoring Agency;
- k. Cost Accountant; and
- l. Appraising agency or appraisal agency."

III. After Chapter VI, the following new Chapter and regulations thereunder shall be inserted, namely,-

"Chapter VIA

FIDUCIARY

Certificates/ Reports issued by Fiduciary

25A A fiduciary who submits or issues any certificate or report such as:-



- (i) confirmation or certificate as to that the security certificates so bought back has been extinguished and physically destroyed within fifteen days of the date of acceptance of the shares or other specified securities,
- (ii) certificate confirming that the amount of buyback is in compliance with the regulations,
- (iii) certificate confirming the solvency of the company for a period on one year post buyback,
- (iv) report addressed to the Board of Directors by the company's auditors,
- (v) not on taxation, or
- (vi) any other report or certificate,

shall :

- (a) exercise due care, skill and diligence and ensure proper care with respect to all processes involved in the issuance of such a certificate or report ;
- (b) ensure that such a certificate or report issued by it is true in all material respect; and
- (c) report in writing to the Audit Committee of the company, any material violation of securities laws, noticed while undertaking such an assignment.

Action in case of contravention

25B. The Board, if after making or causing to be made an inquiry or investigation, is satisfied that the fiduciary has submitted a false certificate or report, or has violated any provision of this Regulations, may take appropriate action under securities laws, against the fiduciary, its engagement partner or director, as the case may be."

**CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA**