



PR No.7 /2021

SEBI Board Meeting

The SEBI Board met in New Delhi today and, inter alia, took the following decisions:

I. **Minimum Public Offer (MPO) requirements for large issuers relaxed**

Presently, in terms of Securities Contracts (Regulation) Rules, 1957 (SCRR), issuers with post issue market capital of at least Rs 4,000 crores or more, are required to offer to public at least 10% of its post issue market capital ('Minimum Public Offer' - MPO). Further, such issuers are also required to achieve a minimum public shareholding (MPS) of at least 25% within three years from the date of listing.

The Board has decided to recommend changes in the SCRR, for issuers with post issue market capital exceeding Rs.1,00,000 crores, the requirement of MPO be reduced from 10% of post issue market capital (existing provision) to Rs.10,000 crores + 5% of the incremental amount beyond Rs.1,00,000 crores. These issuers shall be required to achieve at least 10% public shareholding in two years and at least 25% Public Shareholding within five years from the date of listing.

II. **Amendment to SEBI (Portfolio Managers) Regulations, 2020, SEBI (Investment Advisers) Regulations, 2013 and SEBI (Research Analysts) Regulations, 2014**

The Board approved amendment to SEBI (Portfolio Managers) Regulations, 2020 (PMS Regulations), SEBI (Investment Advisers) Regulations, 2013 and SEBI (Research Analysts) Regulations, 2014 to recognise the Post Graduate Program in Securities Market of not less than one year offered by NISM as eligible qualification for Portfolio Managers, Investment Advisers and Research Analysts. The Board also approved amendment to PMS Regulations with respect to NISM certification requirements.

III. Repeal of the SEBI (Underwriters) Regulations, 1993 and amendments to the SEBI (Merchant Bankers) Regulations, 1992 and the SEBI (Stock Brokers) Regulations, 1992

The Board approved repealing of SEBI (Underwriters) Regulations, 1993 and amendment to SEBI (Merchant Bankers) Regulations, 1993 and SEBI (Stock Brokers) Regulations, 1992 to incorporate provisions related to net-worth, maintenance of records and other regulatory compliances for the underwriting activities. The respective regulations shall permit Merchant Bankers and Stock Brokers to carry out Underwriting activities. Therefore, there is no need of having separate regulation for underwriting activities.

IV. Merger of SEBI (Regulatory Fee on Stock Exchanges) Regulations, 2006 with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018

The Board noted the proposal contained in the memorandum towards the objective of improving ease of doing business and providing a consolidated view to users of Regulations. Accordingly, the Board approved merger of SEBI (Regulatory Fee on Stock Exchanges) Regulations, 2006 with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

New Delhi

February 17, 2021