



**CIRCULAR**

CIR/MRD/ICC/21/2013

05.07.2013

**The Managing Director/Executive Director,  
All Stock Exchanges with nation-wide terminals**

Dear Madam/Sir,

**Subject: Arbitration Mechanism in Stock Exchanges**

1. Reference may be made to circulars no. CIR/MRD/DSA/24/2010 dated August 31, 2010, CIR/MRD/SA/03/2012 dated January 20, 2012 and CIR/MIRSD/2/2012 dated February 15, 2012 regarding investor service centres providing *inter alia* arbitration facility (arbitration as well as appellate arbitration). Presently, these facilities are being provided at 8 centres viz. Delhi, Mumbai, Kolkata, Chennai, Ahmedabad, Hyderabad, Kanpur and Indore.
2. With a view to extend these facilities, it has been decided to increase the number of investor service centres providing *inter alia* arbitration facility (arbitration as well as appellate arbitration). Increasing the number of centres shall reduce the travelling and other incidental costs to investors in case they choose to avail these facilities. The following is decided:
  - a. Stock Exchanges with nation-wide terminals shall set up investor service centres at Bangalore, Pune, Jaipur, Gaziabad, Lucknow, Gurgaon, Patna and Vadodara. These centres shall provide investor grievances redressal mechanism and arbitration facility (arbitration as well as appellate arbitration).
  - b. The investor service centres at Bangalore, Pune, Jaipur and Gaziabad shall be established before December 31, 2013.
  - c. The investor service centres at Lucknow, Gurgaon, Patna and Vadodara shall be made functional by June 30, 2014.
  - d. Accordingly, all Stock Exchanges with nation-wide terminals would have to set-up these facilities at all 16 places mentioned above by June 30, 2014.
3. The stock exchanges are advised to:-
  - a. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately;

- b. bring the provisions of this circular to the notice of the members of the stock exchange and also to disseminate the same through their website; and
  - c. communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Reports to SEBI.
4. SEBI inspection of stock exchange shall cover implementation of this circular.
5. This Circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect immediately.
6. This Circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

Yours faithfully,

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