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Empowering Investors through Investor Charters

In order to further augment its efforts to protect investors' interests, promote transparency in markets and enhance awareness, trust and confidence among the investors, SEBI, vide a Public Notice dated November 17, 2021, had published the "Investor Charter" for securities markets. Since then, various steps have been taken to implement the Charter.

Separate Investor Charters regarding investor related activities of various intermediaries have been developed by SEBI in consultation with the respective entities. These separate Investor Charters have been developed for stock exchanges, depositories, SEBI registered intermediaries and regulated entities including Stock Brokers, depository participants, Asset Management companies, Registrar and Transfer Agents, Investment Advisers, Research Analysts, Merchant Bankers, etc. Stock Exchanges, Depositories and various intermediaries have since published the respective charters on their websites.

The Investor Charters of SEBI registered institutions and intermediaries, contain information related to details of various services provided by the intermediaries to investors, their timelines, importance of preservation of relevant documents by the investors, investor grievance redressal mechanism, etc. These charters are expected to help investors to improve their ease of investing in Indian securities market.

As for SEBI's own charter, efforts have been taken to enhance the effectiveness of investor grievance redressal mechanism. SEBI has been publishing the status of disposal

of investor grievances received in SCORES (SEBI Complaints Redress System) on its website on a monthly basis. Details of investor grievances, which are pending for more than three months with different intermediaries, are also being published.

In case SEBI receives a large number of/repeated complaints on any issue, the root causes are analyzed and if required, appropriate policy changes are made to address the issue. For instance, some of the recent policy initiatives taken by SEBI, after conducting such an analysis, include the following:

- a) Amendments pertaining to the Investor Protection Fund (IPF) / Investor Service Fund (ISF) and its related matters, *inter-alia*, to expand the scope of dispute resolution.
- b) The norms for processing of investor services requests by the RTAs have been standardized and simplified and common norms have been introduced for registering / change in details like PAN, KYC and nominee and also for other services involving securities certificate.
- c) Providing for an electronic interface for processing investor's queries, complaints and service requests by RTAs.
- d) All holders of physical securities in listed companies are now required to mandatorily furnish their PAN, KYC details including bank account details so as to preempt grievance pertaining to non-receipt of payments and intimation / notification from the company.
- e) All holders of physical securities in listed companies are now required to mandatorily furnish their nomination (or file declaration to opt out) to preempt grievance pertaining to transmission.

SEBI is also examining, in consultation with regulated entities, the possibility of introducing alternate dispute resolution mechanism in various agreements (wherever possible) between the regulated entities and their clients. This is with a view to providing efficacious mechanism for resolving disputes between the investors and the regulated entities.

Mumbai

January 17, 2022