SEBI- Jun CA

① MD & CEO of NCDEX - Vijaya Kumar
NCDEX is India's largest agri commodity exchange
→ formed in - 2003
→ HQ - Mumbai

② Margins in derivative trading
Normal circumstances
ⓐ Standardised Portfolio analysis of risk (SPAN)
ⓑ Exposure Margin
ⓒ Additional Surveillance Margin
↓
Exceptional Cases

③ Required Net worth of Stock exchange - 100 Cr
" " " of Clearing Corp - 300 Cr

④ Public Interest Directors -
ⓐ Appointed by SEBI as public representative
ⓑ they have a duty to care to SEBI, the regulator, the market & the shareholders.
ⓒ they are appointed at the boards of exchanges & other market infrastructure institutions with companies act.
ⓓ Three year term, can be reappointed after cooling off of one year.

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Net worth required for CRA - 25 Cr

⑤ Promoters of CRA need to maintain atleast 26 %. holding for minimum 3 years.

⑥ Head of committee on Market Infrastructure Institutions (MII) - R Gandhi

Oct CA Meritshine

① First stock exchange to launch commodity derivative contracts in Gold & Silver - BSE

② NSE got approval from SEBI to launch - Copper Large futures contract.

Agency	2018-19	2019-20
UNCTAD	7 %	
World Bank	7.3 %	7.5 %
IMF	7.3 %	7.4 %

As per WB developing countries of East Asia & Pacific region will grow at 6.3 % in 2018.

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SEBI CA- Feb

① Monetary penalty on stock exchanges, clearing corporations and depositories by SEBI

→ Minimum 5 Cr
→ Max 25 cr or three times of gain ; whichever is higher.

② AMCs need to communicate any change in TER to investors through email or SMS atleast 3 working days prior to effecting such change and prominently display this on its website.

③ SEBI has allowed clearing corporations at International financial Services Centres (IFSC) to accept cash & cash equivalents as collateral for trades in all product categories.

④ Cash & cash equivalents would form atleast 50% of the total liquid assets at all times.

⑤ Addional TER of upto 30 basis point is allowed from beyond 30 cities of top.
→ if 30% of gross new inflow in a scheme comes from beyond top 30 cities.
→ if 15% of total AUM of a scheme comes from beyond top 30 cities.

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⑥ Metropolitan Stock Exchange received SEBI approval to launch electronic book building mechanism to facilitate online bidding for private placement of debt securities in bonds.

⑦ Strategic investors like registered NBFCs and International Multilateral financial Institutions can invest upto 25 % of the total offer size of REITs / InvITs.

→ Strategic investors can not invest less than 5 % and more than 25 % of the total offer size.

→ The units subscribed by strategic investors, pursuant to unit subscription agreement, will be locked in for 180 days from the date of listing in the public issue.

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SEBI - CA March

① Angel fund investment in venture capital undertakings has been doubled to 10 Cr from current Rs 5 Cr.

② Minimum investment by Angel investor remains Rs 25 Lakh.

③ SCORES :
- → Introduced in June 2011
- → It is a web based centralised system.
- → It captures investor's complaints against listed companies & registered intermediaries.
- → As per new circular from Aug 1 investors can lodge complaint on SCORES after registering themselves.
- → If complaint is not resolved by the company / intermedia in 30 days, an investor can lodge complaint on this platform.

④ Paytm's subsidiary, Paytm money has received SEBI's approval to become a registered Investment adviser.

⑤ SEBI plans to bring "congestion charge" to disincentivize algo trading.

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⑥ Co location facility involves setting up servers on the exchange premises.

⑦ SEBI has raised exposure limit under exchange traded currency ~~trading~~ derivatives trading for residents & FPI to USD 100 million across all currency pairs involving the Indian rupee.

⑧ Universal Commodity Exchange (UCX) is allowed by SEBI to discontinue operations as commodity exchange. It was set up in 2012.

⑨ If there is no trading operation on the platform of any commodity derivatives exchange for more than 12 months then such exchange is liable to exit.

⑩ Head of panel on fair market conduct - TK Vishwanathan (2017)

⑪ Members of clearing corporations in commodity derivatives segament will have to maintain a minimum liquid net worth of at least Rs 50 lakh.

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(12) A commodity derivative product is considered to be liquid on the basis of average daily turnover.

* for agriculture & agri-processed commodity threshold is above Rs 200 Cr.

* for non agricultural commodity threshold is above Rs. 1000 Cr.

(13) Seperate limit of Rs 5000 Cr to FPIs for taking long position in Interest Rate Futures (IRFs).

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SEBI - April CA

① Head of committee to recommend on steps for integration of commodity spot & derivatives market.
Ramesh Chand

② Regulator for spot commodity exchanges for gold, metals - SEBI

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SEBI - May CA

① From october 1 SEBI has decided to allow longer trading hours for equity derivatives on stock exchanges.

② No sponsor of a mutual fund (MF AMC, trustee company) can have more than a 10% stake or voting rights in the AMC or trustee company of other mutual fund.

③ Recommendation of Uday Kotak committee which are accepted by SEBI-

(i) Top 500 listed companies to appoint at least one women independent director by April 1 2019.

(ii) Top 1000 listed companies to appoint at least one women independent director by April 1, 2020.

(iii) Seperate positions of MD & chairman for top 500 companies by April 2020.

④ SPAN (Standard Portfolio Analysis of Risk)
this software is used for calculations of initial margin requirement for the positions.

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Categories of FPI :

① Category I (CAT I)
These FPIs are sovereign funds and those backed by governments & multilateral agencies.

② CAT II FPI
These are regulated broad based entities like pension funds and funds led by insurance company, banks and mutual funds.

③ CAT III FPI
These are unregulated funds backed by corporates, individuals, family offices and trusts; hedge funds which are under a comparatively looser regulatory regime are also included under CAT III.

⑤ Committee for FPI rules - HR Khan

⑥ Risk based KYC of FPIs. ⇒
NRI, OCI and RI can not become beneficial owners of FPIs.
NRI & OCI can only obtain an FPI licence on condition that they limit their role to investment advisor and do not invest their money.

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SEBI June - CA

① Timeline for announcing IPO price band reduced to two days from earlier 5 days.

② ICDR regulations apply to Rights issue of Rs ~~50 lakh~~ 10 Cr or more.

③ Buy back period -
the time between the board's resolution to that effect & the date on which the payment will be made to shareholders.

→ Atleast 15% of the securities a company proposed to buy back should be reserved for small shareholders.

→ Max. limit of buyback is capped at 25% of the company's paid up capital.

→ Companies are allowed to buyback 10% of the outstanding shares without share holders resolution.

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④ SEBI has barred Vijay Mallaya for 3 years from accessing the security market.

⑤ Easing of listing norms for insolvent companies -

→ Roll & responsibility of board of directors now need to be carried out by resolution professionals.

→ Relief for related party transaction as they will no longer require shareholder's approval.

→ Companies under insolvency process will not require No-objection letter from from stock exchange.

⑥ SFIO - comes under ministry of corporate affairs
HQ - New Delhi

⑦ Acquirer of shares of company under approved resolution plan can now go beyond the maximum permissible limit of non public shareholding, that is 75%.

⑧ MF houses to disclose on a daily basis total expenses charged to a customer for all schemes on their website as well as on AMFI website.

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SEBI - July Current Affair

① Yes bank got approval to form its AMC for starting mutual fund business.

→ AMC name is YAMIL (Yes bank Asset Management India Ltd)

② SEBI has proposed that large corporate should fulfill their 1/4 of capital requirment through bond market

③ Fiduciaries have been brought under the regulatory purview. (But they are not registered with SEBI)

④ AON FI -

incorporated in 1995.

43 AMC's in total.

⑤ SEBI enhanced overseas investment limit for Alternate Investment fund & Venture capital fund to USD 750 million from USD 500 million.

→ AIF & VC are required to disclose the utilization of this limit within 5 working days.

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⑥ Stock brokers can not accept cash from clients.
- only digital modes.

⑦ SEBI proposed for the use of UPI for fund transfer for retail investors.
This could result in reducing the listing time from presently 6 days to 3 days. (Approved)

⑧ SEBI cap on MF Total Expense Ratio (TER) of an equity scheme -

→ 2.5 % on first 100 Cr of average weekly assets.
→ 2.25 % on the next 300 Cr
→ 2 % on the next 300 Cr
→ Beyond 700 Cr AMC can charge TER of 1.75 %.

Max TER for open ended equity MF → 2.25
Above 50,000 Cr AUM TER of MF → 1.05

Max TER for closed ended MF → 1.25 (Equity)
" " " " " → 1 (other than equity)

Max TER for Index Fund & ETF → 1 %

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SEBI - Edutap Current Aug

① Consent Settlement Rules -
Under consent proceedings parties involved in disputes with the SEBI can settle them without admission of guilt.

② SEBI has cut down the listing time for debt securities from 12 days to 6 days.

③ ASBA now compulsory for all investors making payment while applying in a public issue of debt security.

④ Head of working group to look into the matters concerning FPIs - TTR Khan

⑤ Listed companies to disclose loan default to stock exchange - within one working day of missing the payment.

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