

## **INVESTOR GRIEVANCE REDRESSAL MECHANISM AT STOCK EXCHANGES**

**CIRCULAR NO. MRD/DSA/03/2012, DATED 20-1-2012**

**1.** SEBI, *vide* circular Ref. No. SMD/POLICY/CIR-32/97, dated December 03, 1997 had mandated all stock exchanges to open/maintain at least one investor service centre for the benefit of the public/Investors. Such centres are required to *inter alia* provide counseling service to the investors. It is also noted that some stock exchanges have constituted Investor Grievance Redressal Committees (IGRC) for redressal of investor grievances.

**2.** In light of the concerns expressed by investors and to facilitate early redressal of investor grievances, it has been decided to mandate that stock exchanges having nationwide terminals (such as NSE, BSE, MCX-SX and USEIL), functional stock exchanges having trading volumes, stock exchanges entering into MOUs with other exchanges and stock exchanges intending to recommence trading operations shall constitute IGRC at every investor service centre.

**3.** The composition of the IGRC shall be as follows:-

- a.* The IGRC shall comprise of a single person for claims up to Rs. 25 Lakh, whereas, for claims above Rs. 25 Lakh, the IGRC shall comprise of three persons.
- b.* The IGRC shall comprise of independent persons with qualifications in the area of law, finance, accounts, economics, management or administration and experience in financial services, including securities market.
- c.* Further, the three member Committee shall comprise of at least one technical expert for handling complaints related to technology issues (such as internet based trading, algorithmic trading, etc).
- d.* The members of IGRC shall not be associated with a trading member in any manner.
- e.* The disclosures and code of conduct prescribed under paras 3.4 and 4 of SEBI circular Ref. No CIR/MRD/DSA/24/2010, dated August 11, 2010, shall be applicable, as far as may be, to members of IGRC also.

**4.** It is, further, advised that apart from the investor services centres that are currently operating in four metro cities (*viz.*, New Delhi, Mumbai, Chennai and Kolkata), stock exchanges having nationwide terminals shall open investor services centres in other large cities in a time bound manner. A list of places where such centres are proposed to be opened is to be submitted to SEBI immediately and the progress of implementation should be reported to SEBI on a monthly basis in the respective monthly development reports (MDRs).

**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, with a view 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 also available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).