



CIRCULAR

SEBI/HO/MRD/MRD-POD-2/P/CIR/2023/41

March 27, 2023

To

All Recognized Stock Exchanges, Depositories and Clearing Corporations

Dear Sir/ Madam,

Sub: Amendment to Securities Lending Scheme, 1997

1. SEBI, vide Circular No. **SMD/POLICY/SL/CIR-09/97** dated May 07, 1997 introduced the Securities Lending Scheme to facilitate securities settlement. Further, to enable settlement of securities sold short, SEBI vide Circular No. **MRD/DoP/SE/Dep/Cir-14/2007** dated December 20, 2007 has, inter-alia, decided to put in place a full-fledged securities lending and borrowing (SLB) scheme under the over-all framework of Securities Lending Scheme, 1997. The SLB framework has been subsequently modified from time to time.
2. SEBI Board in its meeting held on December 20, 2022 has approved to amend SEBI Regulations & guidelines to dispense with the option of payment through Demand Draft and ensure that the payment of fees /penalties/recoveries to be made only through digital mode of payment.
3. In pursuance thereof, it has been decided to introduce the following changes in the Securities Lending Scheme, 1997:
 - a) Point 7 under Annexure-B (Schedule of Fees) stands modified and be read as follows:

“7. Approved intermediaries are requested to send the fee payable, as stated above by way of direct credit into the bank account through NEFT/RTGS/IMPS or online payment using the SEBI payment gateway or any other mode as may be specified by SEBI from time to time”
 - b) Point 8 under Annexure-B stands modified and read as follows:

“8. A receipt shall be sent to the approved intermediaries after the realization of the payment through the any of the modes specified at Point 7”
4. SEBI circular dated May 07, 1997 shall, accordingly, be modified to the above extent. All other provisions of the said SEBI circulars shall continue to remain applicable.



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

5. The provisions of this circular shall come into effect from April 01, 2023.
6. Stock Exchanges and Clearing Corporations are directed to:
 - a) take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;
 - b) bring the provisions of this circular to the notice of their members and also disseminate the same on their websites; and
 - c) confirm to SEBI, that the provisions of this circular have been implemented.
7. This circular is being issued in exercise of 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.
8. This circular is available on SEBI website at www.sebi.gov.in at “Legal→Circulars”.

Yours faithfully

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