

**CIRCULAR**

SEBI/HO/MIRSD/DOS3/P/CIR/2022/78

June 3, 2022

**To**

**The Managing Director / Executive Director**

**All Stock Exchanges**

Dear Sir / Madam,

**Subject: Investor Grievance Redressal Mechanism**

1. In order to further strengthen the Investor Grievance Redressal Mechanism, based on feedback received from market participants, Circular No. SEBI/HO/MIRSD/DOC/CIR/P/2020/226 dated November 6, 2020 is amended as follows:

**Amendment to Circular No. SEBI/HO/MIRSD/DOC/CIR/P/2020/226 dated November 6, 2020 -**

- 1.1 Clause 4 of the Circular No. SEBI/HO/MIRSD/DOC/CIR/P/2020/226 dated November 6, 2020 shall be substituted with the following, namely, -

*“4. Arbitration*

- (a) For any dispute between the member and the client relating to or arising out of the transactions in Stock Exchange, which is of civil nature, the complainant/ member shall first refer the complaint to the IGRC and/ or to arbitration mechanism provided by the Stock Exchange before resorting to other remedies available under any other law. For the removal of doubts, it is clarified that the sole arbitrator or the panel of arbitrators, as the case may be, appointed under the Stock Exchange arbitration mechanism may consider any claim relating to any dispute between a stock broker and client arising out of the transactions in stock exchange, as per law, and shall always be deemed to have the competence to rule on its jurisdiction.*

*A complainant/member, who is not satisfied with the recommendation of the IGRC shall avail the arbitration mechanism of the Stock Exchange for settlement of complaints within three months from the date of IGRC recommendation”*

*(b) The time period of three months mentioned in the previous sub-clause for filing arbitration shall be applicable only for the cases where the IGRC recommendation is being challenged. For any arbitration application received without going through IGRC mechanism, the above time period of three months shall not apply, and for such cases the limitation period for filing arbitration shall be governed by the law of limitation, i.e., The Limitation Act, 1963.”*

2. Stock Exchanges and Depositories are advised to:

- a) Make necessary amendments to the relevant bye-laws, rules and regulations, operational instructions, as the case may be, for the implementation of the above circular; and
- b) bring the provisions of this circular to the notice of their constituents and also disseminate the same on the website.

3. 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 Contract (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 from July 1, 2022.

4. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories “Legal Framework -> Circulars”.

Yours faithfully,

**Pranjal Jayaswal**  
**General Manager**  
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