

Corpsec Hotline

June 25, 2003

SCHEME FOR SEEKING INFORMAL GUIDANCE FROM SEBI

In order to streamline the procedure for seeking informal guidance from the Securities and Exchange Board of India ("SEBI") about the applicability of acts, rules, regulations and circulars issued by it, the SEBI has issued the SEBI (Informal Guidance) Scheme, 2003 ("Scheme"). This Scheme shall become operational from June 24, 2003.

Types of informal guidance

According to the Scheme, intermediaries registered with SEBI and listed companies would be eligible to make a request for informal guidance to the SEBI. The SEBI may give informal guidance in the form of a:

- **No action letter:**
In this case the SEBI will state whether it recommends any action under any legal provision administered by SEBI if the proposed transaction is consummated, or an
- **Interpretive letter:** In this case the SEBI will provide an interpretation of a specific legal provision administered by SEBI in the context of the factual situation described in the request.

Form of request and response time

The applicant is required to state in the request as to whether it is a request for a no-action letter or an interpretive letter. The request addressed to the concerned Department of SEBI, would need to be accompanied by a fee of Rs. 25,000. It will also be necessary to describe the request, disclose all material facts and circumstances involved and mention all applicable legal provisions. The SEBI is mandated to provide the response within a period of sixty days from the date of the receipt of the request.

Certain requests not to be answered

As per the Scheme, the SEBI is not required to answer certain types of requests including general requests and those which do not completely and sufficiently describe the factual situation, requests which involve hypothetical situations, requests in which the applicable legal provisions are not cited, requests in which the requestor has no direct or proximate interest and requests on matters which are sub judice. It must be noted that the SEBI is not under any obligation to respond to a request for guidance.

Confidentiality of request

The applicant can ask that the request be accorded confidential treatment for a specified period not exceeding 90 days from the date of the response after which it shall be made available to the public. In the event that the SEBI denies the confidentiality treatment, then the applicant is entitled to withdraw the request.

Effect of the guidance

The guidance given by SEBI in the letter is not binding on it and would not be construed as a conclusive decision or determination of any question of law or fact by SEBI nor is it an order of the SEBI. It is merely reflective of the views of the SEBI on the issue.

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

Structuring Platform Investments in India For Foreign Investors

March 31, 2025

India's Oil & Gas Sector— at a Glance?

March 27, 2025

Artificial Intelligence in Healthcare

March 27, 2025

Research Articles

2025 Watchlist: Life Sciences Sector India

April 04, 2025

Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Audio

CCI's Deal Value Test

February 22, 2025

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

Click here to view Hotline archives.

Video

Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia | NewsX

April 01, 2025

**Vaibhav Parikh, Partner, Nishith
Desai Associate on Tech, M&A, and
Ease of Doing Business**

March 19, 2025

**SIAC 2025 Rules: Key changes &
Implications**

February 18, 2025