



## SEBI eases Settlement Mechanism

July 23, 2020

SEBI has carried out certain changes in the SEBI (Settlement Proceedings) Regulations, 2018 (**Settlement Regulations**), to ease out the settlement mechanism. Key changes are summarized below:

- **Period of 30 days provided for remittance of settlement amount:** Applicant has been given an extended window of 30 calendar days as compared to earlier window of 15 calendar days to remit the settlement amount forming part of the settlement terms, from the date of receipt of the notice of demand;
- **Extension of 60 days for remittance of settlement amount:** The primary period of 30 calendar days can be extended by the Panel of Whole Time Members for reasons to be recorded, by 60 calendar days, only after receipt of an application seeking extension of time within 30 days from the date of receipt of notice of demand;
- **Electronic payment of Settlement Amount allowed:** SEBI has omitted the requirement of payment of settlement amount by way of a demand draft, and the payment can be made by any authorized electronic mode of payment;
- **No issuance of settlement notice:** In order to save time, the chapter on issuing settlement notice has been omitted. However, any settlement notices already issued have been saved, and will be dealt with as if Regulation 18 is still in force and continue to be dealt with accordingly.

Additionally, certain other changes dealing with settlement amount and table to arrive at the settlement amount have been amended.

The changes are effective from July 22, 2020 and have been enforced vide the SEBI (Settlement Proceedings) (Amendment) Regulations, 2020, dated July 22, 2020 ([available here](#)).

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at [insights@elp-in.com](mailto:insights@elp-in.com)

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