



SEBI prescribes standardization of timeline for listing of certain securities issued on private placement basis

INSIGHTS

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In order to standardize the timelines for listing of debt securities, non-convertible redeemable preference shares, securitized debt instruments, security receipts and municipal debt securities issued on a private placement basis, SEBI has specified the following timelines:

Timeline for listing of securities:

Sr. No.	Details of activities	Due date
1.	Closure of issue	T day
2.	Receipt of funds	To be completed by T+2 trading day
3.	Allotment of securities	
4.	Issuer to make listing application to Stock Exchange(s)	To be completed by T+4 trading day
5.	Listing permission from Stock Exchange(s)	

SEBI has also issued the following directions:

Activation of ISIN of debt securities:

Depositories will be able to activate the ISINs of debt securities issued on private placement basis only after the Stock Exchange(s) have accorded approval for listing of such securities.

Consequences of delay in listing of securities:

In case of delay, the issuer shall:

- Pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing);
- Be permitted to utilize the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchanges.

Further details are provided in SEBI Circular dated October 5, 2020 ([available here](#)), which is effective from December 1, 2020.

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

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