

Consultation Paper on Measures for ease of doing business on Administration of Exchanges

The Securities Board of India (“SEBI”) has issued a consultation paper on October 08, 2025 (“**Consultation Paper**”) seeking public comments on proposed measures for ease of doing business for MIIs.

Objective

- The Consultation Paper proposes a rehaul and consolidation of the administrative framework for MIIs and invites comments on proposed changes to the framework for Stock Exchanges.
- The specific measures are intended to simplify regulations, remove obsolete provisions, and reduce the compliance burden to enhance the ease of doing business for Stock Exchanges.
- SEBI has also provided a specific list of questions for comments of the stakeholders. Comments can be submitted by stakeholders until October 29, 2025.

Key Proposals in the Consultation Paper

We have captured below, few of the proposed changes in the Consultation Paper for quick reference.

- Structural Reorganization of Regulations:
 - It is proposed to merge the Master Circulars for Stock Exchanges and Commodity Derivatives Exchanges into a single, unified document to eliminate redundancy.
 - It proposes creating a separate Master Circular for Clearing Corporations, recognizing their increasingly distinct role.
- Removal of redundancies:
 - The Consultation Paper proposes discontinuing and removing certain provisions such as the mandatory two-digit codes for stock exchanges, a legacy requirement that is now redundant due to dematerialization, the DN Database which is now managed by Depositories and RTAs.
 - Provisions detailing the functions of erstwhile committees (like the Disciplinary Action, Defaulters', and Investor Services committees) are proposed to be removed, as their responsibilities have been absorbed by new committees.
- Unification of the Investor Protection Fund (“IPF”):
 - SEBI has proposed merging the separate IPFs for the equity and commodity segments of an exchange into a single unified fund. This aims to create greater operational efficiency and enhance governance.
 - Among other changes to the IPF, a detailed Standard Operating Procedure has been introduced to streamline the process and timelines for declaring a trading member in default and processing investor claims from the IPF.



ELP Comments

These proposed changes represent a significant step towards modernizing the administrative and compliance framework for stock exchanges. For market participants, this could lead to more streamlined interactions and a

reduction in procedural complexities. The consolidation and separation of circulars for different market entities will provide clearer, more targeted regulatory guidance.

We hope you have found this information useful. For any queries/clarifications please write to us at insights@elp-in.com or write to our authors:

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