

Frequently Asked Questions (FAQs) on the SEBI ISO Settlement Scheme, 2024

The Securities and Exchange Board of India has introduced a third Settlement Scheme (“the Scheme”) in the matter of trading activities of certain entities in the illiquid stock options segment of Bombay Stock Exchange (BSE) in terms of Section 15JB of the SEBI Act, 1992 read with Regulation 26 of SEBI (Settlement Proceedings) Regulations 2018, vide Public Notice dated March 03, 2024. The purpose of the Scheme is to provide an opportunity for settlement to the entities who have executed reversal trades in the illiquid stock options segment of BSE between April 1, 2014 to September 30, 2015, and against whom proceedings have been initiated and are pending before any forum or authority, viz. Courts/ Securities Appellate Tribunal (“SAT”), Adjudicating Officer or Recovery Officer (provided an appeal has been filed and the same is pending before the SAT/Court).

An entity desirous of availing settlement under the Scheme would be required to submit a settlement application along with an application registration fee of ₹25,000/- + GST @18% in case of body corporates and ₹15,000/- + GST @18% in case of individuals in the specified format. The application form shall be uploaded and the payment of application fee and the settlement amount shall be made, using the online link provided for the purpose. There shall be no requirement for submitting any physical documents.

Q. 1. What is the eligibility criteria for availing the Scheme?

A. The Scheme would be applicable in respect of the entities that have executed reversal trades in the illiquid stock options segment of BSE between April 1, 2014 and September 30, 2015 and against whom proceedings have been initiated and are pending before any forum or authority, viz. Courts/ SAT, Adjudicating Officer or Recovery Officer (provided an appeal has been filed and the same is pending before the SAT/Court). Entities against whom orders have been passed levying penalty that has not been paid and against whom recovery proceedings have been initiated, may be eligible for the scheme only if an appeal is filed and the same is pending before the Courts/ SAT.

Q. 2. In case a settlement application has already been filed in respect of the Show Cause Notice issued by the Adjudicating Officer before the Scheme was introduced and is pending, should another application be filed?

A. No. Such applicants may visit the link given below, enter their PAN and pay the specified settlement amount to settle the proceedings. They do not need to pay any application fee. Such applicants would however be required to upload the requisite documents as mentioned at Answer 4 below.

Q. 3. Where can one access the information regarding the Scheme?

A. Information regarding the Scheme is available at the website of SEBI (www.sebi.gov.in) and may also be accessed using the following link:

https://www.sebi.gov.in/ISO_Settlement_Scheme.html

Q. 4. How to file a settlement application under the Scheme?

A. An entity desirous of filing a settlement application under the Scheme is required to take the following sequential actions:

a) Click on the following link:

<https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html>

b) Select “Settlement Scheme” option from the drop down menu of “Type of Category”, enter the PAN, Captcha and click on “Go”

c) Online submission of the following scanned documents:

i) A copy of duly notarised and stamped undertakings and waivers in non-judicial stamp paper duly paid as per Annexure -2.

ii) A self-attested copy of the PAN Card of the applicant.

iii) An application for settlement as per Annexure -1.

d) Payment of the non-refundable settlement application registration fee of ₹25,000/- in case of body corporates and ₹15,000/- in case of individuals, along with GST @ 18%.

e) Payment of the settlement amount as displayed in respect of the applicant.

f) Payment of the legal costs with GST @ 18%, if any, as displayed in respect of the applicant.

Q. 5. What is the settlement amount applicable for me?

A. Under the Scheme, the settlement amount applicable, determined on the basis of number of contracts, may be accessed by using the following link:

<https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html>

Q. 6 What are the legal costs applicable for me?

A. Legal costs of ₹11,500/- along with GST @ 18% shall be collected from those applicants against whom adjudication orders have been passed or recovery proceedings have been initiated and appeals have been preferred against such proceedings by the applicant before the Hon'ble Securities Appellate Tribunal or other courts.

Q.7 What shall be the mode of payment of the application fee / settlement amount / legal cost (if any) mentioned above?

A. Applicant shall make the online payment of the application fee / settlement amount / legal cost (if any) using the following link:

<https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html>

Q. 8. When will the settlement order be passed under the Scheme?

A. Subsequent to the closure of the Scheme, a composite settlement order shall be passed by the competent authority after reconciliation of records.

Q. 9. Should one wait till the last day for filing the settlement application under the Scheme?

A. It is advisable to file a settlement application under the Scheme at the earliest in order to avoid last minute rush. The Scheme would be operational from March 11, 2024 till May 10, 2024.

Q. 10. What action would be taken, if the Scheme is not availed?

A. Upon conclusion of the Scheme, actions as per the relevant provisions of securities laws shall be continued against the entities who do not avail the Scheme.

In case of any query/technical issues with respect to the Scheme, you may reach us at isoscheme2024@sebi.gov.in. You may also contact helpline number 022-2644 9333 between 02:00 pm to 04:00 pm between Monday to Friday (excluding public holidays).

Part-A - FORM
Application for settlement

Before the Securities and Exchange Board of India

In the matter of trading in the illiquid stock options at Bombay Stock Exchange (BSE) – in terms of the SEBI ISO Settlement Scheme, 2024.

1. Name/Trade name of the applicant/co-applicants:
2. PAN of the applicant:
3. Address/correspondence address, contact number and email:
4. Name and contact details (including e-mail) of the contact person (s):
5. Stage at which pending (Show Cause Notice/Appeal before SAT or Court, whichever applicable):
6. Date of Show Cause Notice/Appeal before SAT or Court (including reference number, wherever applicable):
7. Documents to be uploaded:
 - (a) Undertakings and waivers (as per Format specified in Annexure 2).
 - (b) Copy of the PAN card.

(Signature of the applicant)

(Stamp and Seal of the applicant in case of body corporate
along with Signature of the authorised representative(s))

Undertakings and Waivers

Format

Undertaking on non-judicial stamp paper of denomination of ₹100/- or above to be submitted by each applicant, along with the application with stamp duty duly paid and duly notarized at the time of execution.

I/We,,
the applicant(s) herein, as a condition for making the enclosed application to the Board for examining and consideration of the application, hereby declare that I/we agree and undertake that:

- (1) I/We admit the jurisdiction and right of the Securities and Exchange Board of India to initiate appropriate proceedings in respect of the alleged default.
- (2) I/We further agree and undertake that the time spent during the settlement proceedings shall be excluded for computing the limitation period or laches, if any, for initiating or continuing or restoring any legal proceedings, if any, against me/us, and waive any objections in this regard.
- (3) The Securities and Exchange Board of India may enforce any claims against me/us arising from or/in relation to any violation of the settlement order passed pursuant to this application.
- (4) Nothing in the settlement order shall preclude any other person from pursuing any other legal remedy to which such person may be entitled against me/us as per law.
- (5) The settlement proposed by me/us does not limit or create any private rights or remedies for any person who is not a party to these proceedings, against me/us.
- (6) The settlement amount including legal expenses, if any, shall be paid by me/us to the Board within the period stipulated by the Board.

- (7) The settlement order shall be construed and enforced in accordance with the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018, as amended from time to time.
- (8) I/We agree that subsequent to the passing of the settlement order, I/We shall not take any action or make or permit to be made any public statement denying, directly or indirectly, any finding of the Board including that recorded in the settlement order or creating impression that the settlement order is without factual basis.
- (9) I/We hereby declare that nothing in the waiver and undertaking given by me/us shall affect my/our (i) testimonial obligations, or (ii) right to take legal or factual positions in defence of litigation or in defense of a claim or in any other legal proceeding in which the Board is not a party.
- (10) I/We for the limited purpose of settlement under these regulations 'admit the findings of fact and conclusions of law' or 'neither admit nor deny the findings of fact and conclusions of law' (strike off whichever is not applicable), and agree to abide by the settlement order as may be passed in accordance with the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 and guidelines and circulars issued by the Board in that regard:
- Provided that, in relation to defaults related to disclosures other than relating to a prospectus or a letter of offer or a similar such document required to be made in relation to an issue of securities, I/we do not deny the alleged default.
- (11) I/We waive my/our right of taking any legal proceedings against the Securities and Exchange Board of India concerning any of the issue covered in the settlement order that may be passed.
- (12) I/We further waive the following:
- (a) the findings of fact and conclusions of law;
 - (b) the proceedings before the Board or any officer of the Board;
 - (c) the right to all post-hearing procedures;
 - (d) appeal/review before the Tribunal/courts;
 - (e) any plea relating to such provisions of the regulations or other requirements of law, including conflict of interest, as may be construed to prevent any member or officer of the Securities and Exchange Board of India from participating in the proceedings, including settlement proceedings or assisting or advising the Internal Committee, High Powered Advisory Committee or Panel of Whole Time Members, as to, any order, opinion, finding of fact, or conclusion of law, etc.;

- (f) any plea of bias or pre-judgment by the Securities and Exchange Board of India, the officers or the High Powered Advisory Committee, based on the consideration of or discussions concerning settlement of all or any part of the internal proceedings; and
- (g) any plea of limitation or laches for initiating or restoring of the proceedings, if the applicant violates the settlement order.
- (13) I/We undertake as a condition of settlement to not seek, directly or indirectly, any set-off, reimbursement by way of indemnification, insurance coverage or any other form of non-tax reimbursement.

(Signature of the applicant with stamp and seal of the body corporate)

Before me.

Notary.