

**GAZETTE OF INDIA**  
**EXTRAORDINARY**  
**PART III – SECTION 4**  
**PUBLISHED BY AUTHORITY**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**NOTIFICATION**  
**Mumbai, the 8th March, 2024**

**SECURITIES AND EXCHANGE BOARD OF INDIA (INDEX PROVIDERS)**  
**REGULATIONS, 2024**

**A regulation to provide for a regulatory framework for Index Providers in the securities market with the objective of fostering transparency and accountability in governance and administration of Indices.**

**No. SEBI/LAD-NRO/GN/2024/167.**—In exercise of the powers conferred by sub-section (1) of Section 30 read with sub-section (2) of Section 11 and Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities and Exchange Board of India hereby, makes the following regulations, namely,—

**CHAPTER I**  
**PRELIMINARY**

**Short title and commencement.**

- 1.** (1) These regulations may be called the Securities and Exchange Board of India (Index Providers) Regulations, 2024.
- (2) These regulations shall come into force on the one hundred and eightieth day from the date of their publication in the Official Gazette.

## **Definitions.**

2. (1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them and their cognate expressions and variations shall be construed accordingly, —

- (a) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (b) “Administration” means all stages and processes involved in the production and dissemination of a benchmark or index, and includes—
  - (i) collecting, analyzing or processing information or expressions of opinion for the purposes of determination of a benchmark or index;
  - (ii) determining a benchmark or index through the application of a formula or through another method of calculating the information or expressions of opinions provided for that purpose; and
  - (iii) dissemination to subscribers, including any review, adjustment and modification to this process.
- (c) “Audit Trail” means the documentation and retention of all relevant data, submissions, other information, judgments, including the rationale for any inclusion or exclusion of data, analysis and identities of submitters of information used in the benchmark setting process for an appropriate period;
- (d) “Benchmark” or “Index” means prices, estimates, rates or values, used in relation to securities that are:
  - (i) made available to subscribers; whether free of charge or for payment;
  - (ii) calculated periodically; entirely or partially by the application of a formula or another method of calculation or an assessment of the value of one or more underlying interests;
  - (iii) used as reference for purposes that include:
    1. determining the price at which a financial instrument may be bought or sold or traded or redeemed or the value of a financial instrument; or
    2. measuring the performance of a financial instrument.

- (e) "Board" means the Board as defined in clause (a) of sub-section (1) of section 2 of the Act;
- (f) "body corporate" means a body corporate as defined in sub-section (11) of section 2 of the Companies Act, 2013 (18 of 2013);
- (g) "certificate" means a certificate of registration granted by the Board under these regulations;
- (h) "Change in control" in case of a body corporate –
  - (A) if its shares are listed on any recognised stock exchange, shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub-section (2) of section 11 of the Act;
  - (B) if its shares are not listed on any recognised stock exchange, shall be construed with reference to the definition of control as provided in sub-section (27) of Section 2 of the Companies Act, 2013 (18 of 2013);
- (i) "Submitter" means a person providing information to an Index Provider in connection with the determination of a Benchmark or an Index;
- (j) "Contribution of input data" means providing any data not readily available with the Index Provider in connection with the computation of Benchmark or an Index;
- (k) "Expert Judgement" means the exercise of discretion by an Index Provider or Submitter with respect to the use of data in determining a Benchmark with due documentation of the rationale and includes extrapolating values from prior or related transactions or adjusting values for factors that might influence the quality of data such as market events or impairment of the credit quality of a buyer or seller;
- (l) "Form" means any of the Forms set out in the First Schedule;

- (m) "Index Provider" means a person who controls the creation, operation and administration of a Benchmark or an Index, whether or not it owns the intellectual property rights relating to the Benchmark or an Index, and is in particular, responsible for all stages of the Benchmark or an Index administration process, including:
- (i) the calculation of the Benchmark or an Index;
  - (ii) determining and applying the Benchmark or an Index methodology; and
  - (iii) disseminating the Benchmark or an Index.
- (n) "Methodology" means the written rules and procedures according to which information is collected and the Benchmark or an Index is determined;
- (o) "Net-worth" shall have the same meaning assigned to it under sub-section (57) of section 2 of the Companies Act, 2013 (18 of 2013);
- (p) "Publish or make available" refers to the requirement of an Index Provider to provide a document or notice to the Stakeholders where the means by which such notice is made, is proportionate to the breadth and depth of the use of Benchmark by the Stakeholders, as determined by the Index Provider on a "best effort" basis.  
Explanation: Document or notice published on the website of an Index Provider shall ordinarily be considered as compliance with this requirement;
- (q) "Regulated Market or Exchange" means a market or exchange that is regulated or supervised or both by a Regulatory Authority;
- (r) "Regulatory Authority" means a governmental or statutory body not being a Self-Regulatory Organisation that is mandated to regulate the securities or commodities and futures market or both;
- (s) "Schedule" means a schedule to these regulations;
- (t) "Securities" shall have the meaning assigned to it under clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

(u) “Significant Indices” means Indices administered by an Index Provider, which are tracked or benchmarked by domestic mutual fund schemes with the cumulative assets under management exceeding the limits as may be specified from time to time.

Explanation: The list of ‘Significant Indices’ shall be specified by the Board from time to time.

(v) “Stakeholder” refers to subscribers and other persons or entities who own contracts or financial instruments that reference a Benchmark;

(w) “Stock exchange” means a stock exchange which is recognised by the Board under the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

(x) “Submission” means and includes prices, estimates, values, rates or information provided by a Submitter to an Index Provider for the purpose of determining a Benchmark but does not include data sourced from Regulated Markets or Stock Exchanges with mandatory post-trade transparency requirements;

(y) “subscriber” means an entity that is availing Indices from Index Providers.

(2) All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Act or the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, 2013 (18 of 2013) or any statutory modification or re-enactment thereto, as the case may be.

### **Applicability of these Regulations.**

3. (1) These regulations shall be applicable only to Index Providers that administer Significant Indices consisting of securities listed on a recognized stock exchange in India for use in the Indian securities market.

(2) These regulations shall not be applicable to Index Providers, who administer:-

(a) their Indices consisting only of global asset classes or consisting of global assets and Indian securities whether for use in the Indian securities market or elsewhere;

(b) their Indices for exclusive use in a foreign jurisdiction.

## **CHAPTER II**

### **REGISTRATION OF INDEX PROVIDERS**

#### **Application for grant of certificate of registration.**

**4.** (1) On and from the date of commencement of these regulations, no entity shall act as an Index Provider without a certificate of registration issued by the Board

Provided that an existing entity falling within the scope of these regulations and which is not registered with the Board may continue to carry on its activity for a period of six months from the date of commencement of these regulations or if it has made an application for registration under sub-regulation (2) within the said period of six months, till the disposal of such application:

Provided further that ‘Benchmarks’ in the financial markets regulated by the Reserve Bank of India including the ‘Significant Benchmarks’ notified by the Reserve Bank of India under section 45 W of the Reserve Bank of India Act, 1934 (2 of 1934) shall be excluded from the purview of these regulations.

(2) An application for the grant of a certificate under sub-regulation (1) shall be made to the Board in Form A of the First Schedule and shall be accompanied by a non-refundable application fee, as specified in Part A of the Second Schedule, to be paid in the manner as specified in Part B.

(3) The applicant shall file with the Board the compliance assessment report that was issued during the preceding twelve months by an independent external auditor for confirming adherence to all International Organization of Securities Commissions Principles for the Financial Benchmarks along with the duly filed application.

(4) In case of any failure to comply with the requirement under sub-regulation (3), the applicant shall provide reasons in writing to the Board with an undertaking to submit within six months from the date of grant of certificate of registration by the Board, the detailed report confirming adherence to all International Organization of Securities Commissions Principles for the Financial Benchmarks:

Provided that the Board may at its own discretion provide a requisite extension from the submission of International Organization of Securities Commissions Principles compliance report.

**Eligibility criteria**

5. The Board shall not consider an application for grant of a certificate of registration under regulation 4 unless the applicant satisfies the following conditions namely: -

(a) the applicant is an entity incorporated under the Companies Act, 2013 (18 of 2013) or an equivalent legislation in the country of incorporation:

Provided that a stock exchange or other regulated intermediary undertaking Index Provider activities departmentally shall be required to form a separate legal entity to carry out the activities of an Index Provider within a period of two years from the date of commencement of these regulations.

(b) the applicant has a minimum net worth of twenty-five crore rupees or an equivalent amount in the currency of the country in which the applicant is incorporated, determined on the basis of prevailing foreign exchange rate at the time of application:

Provided that, an existing entity falling within the scope of these regulations and which is not registered with the Board as an Index Provider, shall comply with the net worth requirement criteria within a period of two years from the date of grant of the certificate of registration.

(c) the applicant has in place necessary infrastructure and adequate human resources with the relevant professional qualifications to conduct the operations and business of an Index Provider.

(d) the applicant, its promoters and directors fulfil the fit and proper requirement for the grant of a certificate of registration.

**Criteria for Fit and Proper person.**

6. For the purpose of determining whether an applicant is a fit and proper person, the Board shall take into account the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008:

Provided that, where the promoter of an Index Provider is a stock exchange, clearing corporation or depository, the criteria for determining the fit and proper status of an Index Provider shall be as per the fit and proper criteria specified in Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

**Application to conform to the requirements**

7. Any application for a certificate, which is not complete in all respects or does not conform to the requirement of regulation 5 or instructions specified in Form A of the First Schedule shall be rejected by the Board:

Provided that before rejecting any such application, the applicant shall be given an opportunity to remove, within thirty days of the date of receipt of the relevant communication from the Board, such objections as may be indicated by the Board:

Provided further that the Board may, on sufficient reason being shown, extend the time for removal of objections by such further time as the Board may consider fit but not exceeding thirty days, to enable the applicant to remove such objections.

**Furnishing of information and personal representation.**

8. (1) The Board may require the applicant to furnish such further information or clarification as may be considered necessary for the grant of the certificate of registration as an Index Provider.

(2) The applicant or its authorized representative shall, if so required by the Board appear before the Board for personal representation in connection with the grant of a certificate.



### **Grant of certificate of registration.**

9. (1) The Board, on being satisfied that the applicant is eligible, shall grant a certificate of registration in Form B of the First Schedule and send an intimation to that effect to the applicant.
- (2) The certificate of registration granted under sub-regulation (1) shall be valid unless it is suspended or cancelled by the Board.
- (3) The grant of a certificate of registration shall be subject to the payment of the registration fees as specified under Part A of Second Schedule in the manner as specified in Part B thereof.

### **Conditions of certificate**

10. The certificate granted under regulation 9 shall be subject to the following conditions, namely:
  - (a) the Index Provider shall comply with the provisions of the Act, Rules and Regulations made thereunder and the guidelines, circulars and directions issued by the Board from time to time;
  - (b) change in the information or particulars furnished to the Board by the Index Provider at the time of making the application for a certificate, shall be informed to the Board in writing within thirty days;
  - (c) the Index Provider shall obtain the prior approval of the Board in case of any change in control;
  - (d) the Index Provider shall at all times maintain the minimum net worth as specified in sub-regulation (b) of regulation 5 of these regulations and submit an audited net worth certificate from a statutory auditor on a yearly basis by the thirtieth day of September for the preceding financial year.

### **Procedure where certificate is not granted**

- 11.(1) If after considering an application made under regulation 4, the Board is of the opinion that a certificate of registration shall not be granted, it may, after giving the applicant a reasonable opportunity of being heard, reject the application.

(2) The decision of the Board, to reject the application under sub-regulation (1) shall be communicated to the applicant within a period of thirty days of such decision, with grounds for not accepting the application.

### **CHAPTER III**

#### **GOVERNANCE AND CONFLICT OF INTEREST**

##### **Code of Conduct**

**12.** Every Index Provider shall abide by the Code of Conduct specified in the Third Schedule of these regulations.

##### **Governance**

**13.** The Index Provider shall have appropriate governance arrangements in place in order to protect the integrity of the benchmark determination process, mitigate conflict of interest and segregate the persons responsible for index governance from the persons responsible for commercializing the Indices.

##### **Responsibilities**

**14.** (1) The Index Provider shall bear the primary responsibility for all aspects of its benchmark determination process such as the development, calculation and maintenance of an Index and establishment of credible and transparent governance, oversight and accountability procedures and the overall responsibility for the integrity of its indices regardless of the mode or manner utilized for benchmark determination.

(2) An Index Provider that has developed or develops the Index or Benchmark with another entity shall establish roles and responsibilities for each party and design standards for its activities to facilitate delivering the Index or Benchmark according to the Methodology of the Index Provider.

(3) Where activities relating to the benchmark determination process are undertaken by parties other than the Index Provider, an Index Provider shall formulate a framework to monitor such activities of the third parties in compliance with the objective of these

regulations and provide for a clearly defined written arrangement that sets out the roles and obligations of all the parties involved in such activities:

Provided that such a requirement shall not be applicable to a third party from whom an Index Provider sources data if that third party is a Regulated Market or a Stock Exchange.

### **Oversight Committee**

- 15.** (1) The Index Provider shall constitute an oversight committee to govern all aspects of the benchmark determination process.
- (2) The oversight committee shall consist of individuals who are experienced and knowledgeable in the subject matter.
- (3) The oversight committee shall be separate and distinct from the department dealing with the day-to-day process of Index calculation and maintenance.
- (4) The oversight committee shall:
- (a) Review the need for change in the Index design or computation methodology due to changes in the market dynamics or for any other reason and evaluate the proposed approach for the change, if any, along with its impact on the existing subscribers or clients;
  - (b) Oversee benchmark design and introduction of new financial benchmarks, results of audit and direct implementation of remedial actions recommended by those audits;
  - (c) Review procedures for cessation of an Index;
  - (d) Oversee standard procedures followed in the exercise of Expert Judgement;
  - (e) Periodically review the conditions in the underlying interest which the Index measures to determine whether the interest has undergone structural changes that might require changes to the design of the methodology;
  - (f) Examine whether the methodology appropriately reflects the nomenclature and description of the Index and whether the Index is true to label.

## **Conflict of Interest**

**16.** (1) The Index Provider shall formulate policies and procedures to manage conflict of interest and protect the integrity and independence of the various functions performed in connection with the determination of its Indices.

(2) The Index Provider shall document, implement and enforce these policies and procedures for identification, disclosure, management, mitigation or avoidance of conflict of interest.

(3) The Index Provider shall formulate policies that prevents personal interest or business connections from compromising or conflicting with the performance of its functions, put in place effective procedures to control the exchange of information amongst the staff engaged in the activities involving any potential risk of conflict of interest, require its employees to comply with applicable laws and regulations and that protects confidential and material non-public information:

Provided that such policies shall apply to individuals responsible for any aspect of the oversight function with respect to the Indices as well as to those individuals engaged in the day-to-day governance and operations of calculating and maintaining Indices.

(4) The conflict of interest policies shall clearly specify;

(a) the manner in which sensitive information shall be protected;

(b) processes for protection of sensitive information, wherever appropriate; and

(c) trading restrictions and pre-clearance requirements for appropriate personnel in respect of securities impacted by pending index changes, both of which shall adhere to applicable laws.

## **Control framework**

**17.** (1) An Index Provider shall put in place a control framework for calculating, maintaining and disseminating the Index which shall be documented and upon request, be made available to the Board.

(2) The control framework shall have an effective whistle-blowing mechanism in place in order to facilitate early awareness of potential misconduct which shall be made available to all employees including the employees of the entities which have co-developed the index or

benchmark or of third parties involved with benchmark determining process and the objective of the policy shall be to encourage and support the making of disclosures by such employees who observe any unethical practice or grave misconduct and shall also include the following components:

- (a) Policies and procedures as specified under ‘Conflict of Interest’;
- (b) Robust processes and a methodology document for calculating and maintaining the Index and the methodology document which shall include a scenario where discretionary judgement could be exercised in connection with rebalance decisions or the revision of constituents or both within Indices;
- (c) Robust mechanism to ensure clear accountability and effective complaint management;
- (d) Sound framework for documenting, maintaining and testing business continuity and recovery procedures;
- (e) Training to all employees including the employees of the entities which have co-developed the Index or Benchmark or of third parties involved with benchmark determining process on ethics and conflicts of interest on a periodic basis;
- (f) A framework addressing the protection of sensitive information and trading restrictions mentioned under ‘Conflict of Interest’.

## **CHAPTER IV**

### **INDEX QUALITY AND METHODOLOGY**

#### **Quality of the Index**

**18.** (1) The Index design shall take into account factors which result in a representation of the underlying interest that the Index seeks to measure and shall also seek to eliminate factors that the Index Provider believes might result in a distortion of the price, rate or value of that Index.

(2) The Index Provider shall calculate an Index, using data, that is sufficient to represent the underlying interest measured by the Index.

(3) An Index Provider shall establish and make available in public the guidelines regarding the data inputs and the manner in which such data is used for the calculation and maintenance of an Index.

(4) An Index Provider shall use inputs consistent with the approach to ensure quality, integrity and continuity of its Index calculations and maintenance as set out in the Index Methodology.

(5) (a) An Index Provider may obtain submissions from across a wide universe of market segments and shall perform due diligence on its Data Submitters;

(b) An Index Provider shall formulate a Code of Conduct for Data Submitters to address quality, oversight, conflict of interest management, record-keeping and whistleblowing which shall be published on website of index provider:

Provided that the requirement of framing a Code of Conduct shall not be required for Indices based on transaction data of the Regulated Markets and Stock Exchanges.

(6) (a) An Index Provider shall make the Methodology documents available in public to facilitate an understanding of the manner in which the Index seeks to measure the interest and the manner in which the Index is calculated and maintained.

(b) The Index Provider shall put in place guidelines in cases when the Index Provider uses Expert Judgement to maintain an Index.

(c) An Index Provider, shall provide guidelines specifying the timing of announcements for changes to the Index constituents including replacement of constituents in the Indices in its Methodology document in order to bring about the transparency in the dissemination of information about changes to Index constituents.

### **Quality of the Methodology**

**19.** (1) The Index Provider shall document and make available in public the methodology used for Index calculation and maintenance to allow an understanding as to the manner the Index is derived and to assess its representativeness, relevance and appropriateness as a reference for financial instruments.

(2) The Index Provider, in order to bring about transparency in the dissemination of information about changes in Index constituent of the Indices, shall frame guidelines in its methodology document addressing time frames for changes to Index constituents by allowing sufficient time for implementation.

(3) The Index Provider shall;

- (a) endeavour to seek market feedback, if required, for making significant changes to the Index methodology;
- (b) review the methodology for an Index on a periodic basis and propose to make changes, if necessary, to adhere to its objective;
- (c) consult and discuss the change in methodology with stakeholders including the market participants, subscribers before implementing the change in methodology; and
- (d) provide advance notice of the implementation of the proposed change in the methodology.

### **Cessation of Index**

**20.** (1) An Index Provider shall formulate policies and procedures to address the need for possible cessation of an Index taking into account the estimated impact on Market Participants and Subscribers.

(2) The Index Provider shall provide reasonable notice and intimate in advance the subscribers about the cessation of an Index.

(3) Wherever reasonably practical and if required by the subscriber for the Index that is to be discontinued completely, the Index Provider shall maintain the Index for a reasonable period of time and if feasible, shall also provide an alternative Index within a reasonable timeframe:

Provided that the subscribers registered with the Board and tracking the Indices of existing Index Providers who administer Significant Indices, but who are not desirous of seeking registration with the Board or who intend to cease publication of an index or benchmark, shall shift to a new benchmark offered by a registered Index Provider or cease to track the Indices

and take all necessary and consequential steps in this regard within a time period of three months of notice of such intent of cessation.

### **Internal Controls over Data Collection**

**21.** (1) An Index Provider shall maintain internal controls to address the processes for selection of data sources and data Submitters, for data collection and for the protection of data integrity and its confidentiality.

(2) The Regulated Markets and Stock Exchanges shall ensure equal, unrestricted, transparent and fair access of data to all the Index Providers who have entered into a data sharing agreement with them and shall disseminate data without any bias or preference towards its associates and related entities and ensure that there is no disparity in timing, format and manner of information dissemination.

## **CHAPTER V ACCOUNTABILITY AND DISCLOSURES**

### **Accountability Mechanism**

**22.** An Index Provider shall establish and make available in public, the complaint redressal policy to facilitate the submission of complaints by subscribers pertaining to whether a specific Index is representative of the underlying interest it seeks to measure, application of the methodology to a specific Index calculation and the decisions in relation to an Index administration process.

### **Dispute Resolution**

**23.** (1) Index Provider shall provide for a dispute resolution mechanism and all claims, differences or disputes between the Index Providers and the subscribers arising out of or in relation to the activities of an Index Provider in the securities market shall be submitted to such a dispute resolution mechanism that includes mediation and/or conciliation and/or arbitration, in accordance with the procedure specified by the Board.

(2) Any subscriber to an Index Provider shall have recourse to grievance redressal under these regulations.



### **Assessment by Independent Auditor**

**24.** (1) An Index Provider shall ensure an assessment of its adherence to International Organization of Securities Commissions Principles for Financial Benchmarks at least once in two years and such assessment shall be performed by an independent external auditor with a proven record of expertise and capability:

Provided that the first assessment of adherence to International Organization of Securities Commissions Principles for Financial Benchmarks shall be provided by the Index Provider within one year of the grant of certificate of registration:

Provided further that where an existing entity not registered with the Board as an Index Provider has been assessed for compliance with International Organization of Securities Commissions Principles during the past one year; the next assessment by the independent external auditors shall be carried out within two years from the date of the last assessment.

(2) The report of the independent external auditor shall be published on the website of the Index Provider.

### **Submission of Report to the Board**

**25.** The Index Provider shall submit a report to the Board at least once in every two years containing the details of compliance with the International Organization of Securities Commissions Principles for Financial Benchmarks assessed by independent external auditor.

### **Maintenance of Books of Accounts, records etc.**

**26.** (1) The Index Provider shall maintain written records, audit trails, records related to input data employed in benchmark determination and minutes of meeting of oversight committee for a minimum period of eight years.

(2) The Index Provider shall intimate to the Board the place within India, where all the books of account, records and documents required to be maintained under these regulations are being maintained.

### **Compliance with guidelines, circulars issued by the Board**

**27.** The Index Providers shall comply with such guidelines and circulars as may be issued by the Board from time to time.

## **Website**

**28.** Every Index Provider shall maintain a functional website publishing such information as may be specified by the Board and an official email address.

## **Appointment of Compliance Officer**

**29.** (1) Every Index Provider shall appoint a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines and circulars issued by the Board.

(2) The compliance officer shall immediately and independently report to the Board any non-compliance observed by him as soon as possible, but not later than seven working days from the date of such non-compliance.

## **Submission of Information to the Board**

**30.** (1) Where any information is called for by the Board from an Index Provider under these regulations, including any report relating to its activities, the Index Provider shall furnish such information to the Board –

- (a) within the period specified by the Board; or
- (b) if no such period is specified, then within a reasonable time.

(2) Each Index Provider shall, at the close of each accounting period, furnish to the Board copies of its balance sheet and profit and loss account.

(3) During the tenure of registration and for the period of one year after the expiration of the registration the Index Provider shall respond to all queries, information and data that may be sought by the Board in connection with its business as an Index provider.

## **CHAPTER VI**

### **SPECIAL AUDIT**

#### **Board's right to direct Special Audit.**

**31.** The Board may under exceptional circumstances direct a Special Audit to be conducted for examination of the books of account, records and documents relating to an Index Provider.

**Obligation of Index Provider during Special Audit.**

32. It shall be the duty of every officer of the Index Provider in respect of whom a Special Audit has been ordered under regulation 31 and any other associated person including the entities which have co-developed the Index or of third parties involved with benchmark determining process who is in possession of relevant information pertaining to the conduct and affairs of such Index Provider, to produce before the Special Auditor such books, accounts and other documents in their custody or control and furnish the Auditor with such statements, information and render such possible assistance and such co-operation as may be required for the purposes of the Special Audit including authenticated copies of such documents, books or accounts as may be required for the purposes of the Special Audit.

**Submission of report to the Board.**

33. The Special Auditor shall, on completion of the Special Audit, submit the report to the Board:  
Provided that the Special Auditor may submit an interim report if directed to do so by the Board.

**Communication of findings to the Index Provider.**

34. The Board may after consideration of the Special Audit Report, communicate such findings of the Special Audit report to the Index Provider and provide reasonable opportunity of hearing to the Index Provider.

**Action on audit report.**

35. The Board shall after consideration of the response of the Index Provider on the Special Audit Report, take such action as the Board may deem fit and appropriate including action under the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

**CHAPTER VII**

**ACTION IN CASE OF DEFAULT**

36. An Index Provider who contravenes any of the provisions of the Act, Rules, or Regulations framed thereunder shall be liable for action under the Securities and Exchange Board of India

(Intermediaries) Regulations, 2008 or the relevant provisions of the Act and the regulations made thereunder.

## **CHAPTER VIII**

### **MISCELLANEOUS**

#### **Exemption from strict enforcement.**

**37.** (1) The Board may suo motu or on an application made by an Index Provider, for reasons recorded in writing, grant relaxation from the strict enforcement of any of the provisions of these regulations, subject to such conditions as the Board deems fit to impose in the interests of investors and the securities market and for the development of the securities market, if the Board is satisfied that:

- (a) the requirement is procedural in nature; or
- (b) the non-compliance is caused due to factors beyond the control of the entity;

(2) The application referred to under sub-regulation (1) shall be accompanied by a non-refundable fee of rupees fifty thousand only payable by way of direct credit in the bank account through NEFT/ RTGS/ IMPS or online payment using SEBI payment gateway or any other mode as may be specified by the Board from time to time.

#### **Power of the Board to issue clarification**

**38.** In order to remove any difficulties in the application or interpretation of these regulations, the Board may issue clarifications and guidelines in the form of circulars.

**FIRST SCHEDULE**  
**FORM A**  
**SECURITIES AND EXCHANGE BOARD OF INDIA (INDEX PROVIDERS)**  
**REGULATIONS, 2024**  
**[See Regulation 4(2)]**  
**APPLICATION FOR GRANT OF CERTIFICATE OF REGISTRATION**

NAME OF APPLICANT:

CONTACT NAME:

TELEPHONE NO:

FAX NO:

**INSTRUCTIONS FOR FILLING UP FORM –**

1. Applicants shall submit to the Board a completed application form together with appropriate supporting documents. Supporting documents shall be <sup>1</sup>[self-attested].
2. This application form shall be filled in accordance with the regulations.
3. Application for registration shall be considered, only if it is complete in all respects.
4. All answers shall be typed.
5. Information that needs to be supplied in more detail may be given on separate sheets which shall be attached to the application form.
6. All signatures on the application shall be original.
7. Every page of the form as well as every additional sheet shall be initialled by the authorised signatory of the applicant.

**1.0 PARTICULARS OF THE APPLICANT**

- 1.1 Name, address of the registered office, address for correspondence, telephone number(s), fax number(s) and name of the contact person of the company. Address of branch offices, if any.
- 1.2 Date of incorporation of the Applicant company (enclose certificate of incorporation and memorandum and articles of association). Specify the following:
  - (a) Objects (Main & Ancillary) of the Applicant company.

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<sup>1</sup> Substituted for the words “attested as true by a notary public” by the Securities and Exchange Board of India (Attestation of Documents) (Amendment) Regulations, 2024, w.e.f. 28-11-2024.

(b) Authorized, issued, subscribed and paid up capital.

1.3 Category to which the Applicant company belongs to:

(a) Limited company - Private/Public.

(b) Unlimited company.

If listed, names of Stock Exchanges and latest share price to be given.

1.4 Category to which the Applicant company belongs to (refer regulation 4)

(a) Company already in the business as Index Provider

## **2.0 ELIGIBILITY CRITERIA**

2.1. Net worth of the company as per the last audited accounts not earlier than three months from the date of application [refer regulation 5 (b)]. Enclose a certificate by Chartered Accountant/Certified Public Accountant certifying the same.

## **3.0 PARTICULARS OF DIRECTORS/KEY PERSONNEL**

3.1 Particulars of Directors of the company, which shall include name, qualification, experience, shareholding in the company and directorship in other companies.

3.2 Particulars of Key Personnel of the company, which shall include the name, designation in the company, qualification, previous positions held, experience, date of appointment in the company and functional areas.

## **4.0 INFRASTRUCTURE**

4.1 Details of infrastructure including computing facilities, facilities for research and database available with the company and whether the existing infrastructure is adequate Any further plan for additional/ improved infrastructure to be indicated.

## **5.0 MAJOR SHAREHOLDERS**

5.1 List of major shareholders (holding 5% and above of applicant directly or along with associates)

Shareholding as on: .....

| Name of shareholder | No. of Shares held | % age of total paid up capital of the company |
|---------------------|--------------------|---|
|                     |                    |   |

## 6.0 ASSOCIATE CONCERNS

6.1 Particulars of associate companies/concerns which shall include name, address, type of activity handled, nature of interest of the Applicant company in the associate, nature of interest of promoter(s) of the applicant in the associate.

6.2 Whether the Board has granted/ refused registration as Index Provider to any associate of the applicant, wherever applicable.

6.3 Give the details like date of application, date of refusal/registration, reasons for refusal etc.

## 7.0 BUSINESS INFORMATION OF THE COMPANY

7.1 History, major events and present activities. Details of experience in Index Provider related activities.

7.2 If the company is proposing to undertake the activity as an Index Provider for the first time, business plan of the company with projected volume of activities and income for which registration is sought to be specifically given.

7.3 Indices Related information (for use in Indian securities market)

- (a) List and types of Indices offered / proposed to be offered,
- (b) Date of launch of 1<sup>st</sup> index
- (c) Detail in brief about 1<sup>st</sup> index.
- (d) Details of 'significant Indices' administered.
- (e) List and types of Indices currently used in Indian markets
- (f) List and types of Indices currently used globally
- (g) List and types of Indices Index Provider intends to offer in Indian markets
- (h) Date of launch and detailed methodology of Indices intended to be offered in Indian markets

7.4 Any other information considered relevant to the nature of services rendered by the applicant.

**8.0 MISCELLANEOUS INFORMATION**

- (a) Whether, governed by any regulatory authority; if so, provide details.
- (b) Authorization in different jurisdictions (if any).
- (c) Any disciplinary action taken against Index Provider in last 5 years.
- (d) Any refusal or withdrawal of authorization by a regulatory authority.
- (e) How many employees are involved in Index administration?
- (f) Educational Qualification of such employees.

**9.0 FINANCIAL INFORMATION ABOUT THE APPLICANT**

9.1 Net worth

(Rs. In Lacs)

| <b>Items</b>  | <b>Year prior to the preceding year of the current year</b> | <b>Preceding year</b> | <b>Current year</b> |
|---|---|-----------------------|---------------------|
| (a) Paid-up capital                                   |   |                       |                     |
| (b) Free reserves<br>(excluding revaluation reserves) |   |                       |                     |
| Total (a) + (b)                                       |   |                       |                     |
|   |   |                       |                     |

|                        |  |  |  |
|------------------------|--|--|--|
| (c) Accumulated losses |  |  |  |
|------------------------|--|--|--|



|   |  |  |  |
|---|--|--|--|
| (d) Deferred revenue expenditure not written off. |  |  |  |
| Net worth (a)+(b)-(c)-(d)                         |  |  |  |

9.2 Enclose audited annual accounts for the last three years. Where unaudited reports are submitted, give reasons. If minimum net worth requirement has been met after last audited annual accounts, audited statements of accounts of a later date shall also be submitted.

9.3 Name and Address of the Principal bankers of the Applicant company.

9.4 Name and address of the Auditors.

### 10.0 OTHER INFORMATION

10.1 Details of all pending litigations against the applicant company, directors and employees:

| Nature of dispute | Name of the party | Status |
|-------------------|-------------------|--------|
|                   |                   |        |

10.2 Indictment or involvement in any fraud or economic offences by the applicant or any of its Directors or Key Managerial Personnel, in the last three years.

### 11.0 DECLARATION

11.1 Give the following declarations signed by two directors: I/We hereby apply for registration.

I/We warrant that I/We have truthfully and fully answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of my registration.

I/We declare that the information supplied in the application form is complete and correct.

For and on behalf of

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(Name of Applicant)

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Director

Director

**Enclosure:**

1. Certificate of registration/ incorporation
2. Detailed recent report on adherence to International Organization of Securities Commissions Principles of Financial Benchmarks where compliance assessment is carried out by independent audit conducted by external professional

**FORM B**

**SECURITIES AND EXCHANGE BOARD OF INDIA(INDEX PROVIDERS)  
REGULATIONS, 2024**

**[See Regulation 9(1)]**

**[CERTIFICATE OF REGISTRATION]**

- I. In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder the Board hereby grants a certificate of registration to \_\_\_\_\_ as an Index Provider in accordance with and subject to the conditions in the regulations to carry out the activity of the Index administration: -
- II. Registration Code for the Index Provider is ....
- III. This certificate of registration shall be valid unless it is suspended or cancelled by the Board.

**Place:**

**Date:**

**By Order**

**Sd/-**

**For and on behalf of  
Securities and Exchange Board of India**

**SECOND SCHEDULE**  
**SECURITIES AND EXCHANGE BOARD OF INDIA (INDEX PROVIDERS)**  
**REGULATIONS, 2024**  
**[See Regulations 4(2), 9(3)]**  
**FEEES**

**PART A**  
**AMOUNT TO BE PAID AS FEES**

|    |   |               |
|----|---|---------------|
| 1. | Application fee for grant of registration         | Rs.50,000     |
| 2. | Registration fee                                  | Rs. 25,00,000 |
| 3. | Recurring registration fee(for every three years) | Rs.15,00,000  |

**PART B**

1. An Index Provider who has been granted a certificate of registration under regulation 9(1), shall pay the fees, as specified under item 2 of Part A, within fifteen days from the date of receipt of intimation from the Board.
2. An Index Provider who has been granted a certificate of registration, to keep its registration in force, shall pay the fee as specified under item 3 of Part A, for every three years from the sixth year of the date of grant of certificate of registration.
3. The fee specified above shall be paid by way of direct credit into the bank account through NEFT/RTGS/IMPS or online payment using the Securities and Exchange Board of India

payment gateway or any other mode as may be specified by the Board from time to time

4. The recurring registration fee payable every three years as specified under item no. 3 of Part A, shall be paid by the Index Provider one month before the expiry of the block for which the fee has been paid.

**THIRD SCHEDULE**  
**SECURITIES AND EXCHANGE BOARD OF INDIA (INDEX PROVIDERS)**  
**REGULATIONS, 2024**  
**[See Regulation 12]**

**CODE OF CONDUCT FOR INDEX PROVIDERS**

1. An Index Provider, shall observe high standards of integrity and fairness in the conduct of its business.
2. An Index Provider shall fulfil its obligations in a prompt, ethical and professional manner.
3. An Index Provider shall at all times exercise due diligence, ensure proper care and exercise independent professional judgement in order to achieve and maintain objectivity and independence in the Index or Benchmark determination process.
4. An Index Provider shall have a reasonable and adequate basis for performing Index administration, with the support of appropriate and in depth research. It shall also maintain records to support its decisions.
5. An Index Provider shall have in place an administration process consistent with international standards to International Organization of Securities Commissions Principles.
6. An Index Provider shall keep track of all important changes in the market affecting the computation of Index and shall develop efficient and responsive systems to yield timely and accurate Index values.
7. An Index Provider shall disclose its methodology to their clients, users and the public.
8. An Index Provider shall, wherever necessary, disclose to the clients, possible sources of conflict of duties and interests, which could impair its ability to make a fair, objective and unbiased determination of Indices or Benchmarks. Further it shall ensure that no

conflict of interest exists between any member of its oversight committee and that of its client.

9. An Index Provider shall not make any untrue statement, suppress any material fact or make any misrepresentation in any document, report, paper or information furnished to the Board, clients or the public at large.
10. An Index Provider shall ensure that the Board is promptly informed but no later than four working days about any action, legal proceedings etc., initiated against it for any material breach or non-compliance by it, of any law, rules, regulations and directions of the Board or of any other regulatory body or judicial authority.
11. An Index Provider shall maintain an appropriate level of knowledge and competence and abide by the provisions of the Act, regulations and circulars, which may be applicable and relevant to the activities carried on by the Index Provider.
12. An Index Provider shall ensure that there is no misuse of any privileged information including prior knowledge of Index or Benchmark administration related decisions or changes.
13. An Index Provider shall provide adequate freedom and powers to its compliance officer for the effective discharge of his duties.
14. An Index Provider shall ensure that good corporate policies and corporate governance are in place.
15. An Index Provider shall not, generally and particularly in respect of administration of Index or Benchmark, be party to or instrumental for—
  - (a) creation of a false market;
  - (b) price rigging or manipulation; or
  - (c) dissemination of any unpublished price sensitive information in respect of securities which are listed and proposed to be listed in any stock exchange.

**BABITHA RAYUDU**  
**EXECUTIVE DIRECTOR**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**

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