

Dated: 31<sup>st</sup> July, 2019

## **NOTICE**

Trading Members are hereby informed that the Exchange has received a Circular from SEBI Vide Ref. No. SEBI/HO/CFD/DIL2/CIR/P/2019/85, dated July 26, 2019 regarding Streamlining the Process of Public Issue of Equity Shares and convertibles-Implementation of Phase II of Unified Payments Interface with Application Supported by Block Amount. The contents of the said circular are reproduced hereunder for information of trading members.

**Quote: -**

SEBI/HO/CFD/DIL2/CIR/P/2019/85

July 26, 2019

To

Recognized Stock Exchanges Depositories

Registered Stock Brokers Registered Merchant Bankers

Registered Registrars to an Issue and Share Transfer Agents Registered Depository Participants

Registered Bankers to an Issue National Payments Corporation of India

Dear Sir / Madam,

**Sub: Streamlining the Process of Public Issue of Equity Shares and convertibles-Implementation of Phase II of Unified Payments Interface with Application Supported by Block Amount**

1. This refers to SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, vide which SEBI had introduced the use of Unified Payments Interface (UPI) as a payment mechanism with Application Supported by Block Amount (ASBA) for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants), with effect from January 1, 2019. Implementation of the same was to be carried out in a phased manner to ensure gradual transition to UPI with ASBA.

**Implementation of Phase II**

2. Accordingly, Phase II of the aforesaid Circular dated November 01, 2018 has become effective from July 1, 2019. Thereafter, for applications by retail individual investors through intermediaries, the existing process of, investor submitting bid- cum-application form with any intermediary along with bank account details, and movement of such application forms from intermediaries to Self-Certified Syndicate Banks (SCSBs) for blocking of funds, has been discontinued i.e. Channel III at Para 5.1 of Circular dated November 01, 2018 has been discontinued. For such applications only the UPI mechanism would be the permissible mode i.e. Channel IV at Para 5.1 of the said Circular.

**Status of SCSBs on UPI**

3. Applications through UPI in IPOs can be made only through the SCSBs / mobile applications (apps) whose name appears on the SEBI website – [www.sebi.gov.in](http://www.sebi.gov.in) at the following path:

Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI A list of SCSBs and mobile application,

which, as on the date of this Circular, are live for applying in public issues using UPI mechanism is provided at Annexure 'A'. The said list shall be updated on SEBI website.

An investor shall ensure that when applying in IPO using UPI, the name of his Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI.

Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

4. An application made using incorrect UPI handle or using a bank account of an SCSBs or bank which is not mentioned in the aforesaid list is liable to be rejected.

5. Investors whose bank is not live on UPI as on the date of this Circular, may use the other alternate channels available to them viz. submission of application form with SCSB or using the facility of linked online trading, demat and bank account (Channel I or II at Para 5.1 of Circular dated November 01, 2018).

6. Frequently asked questions (FAQs) regarding use of UPI with ASBA in public issue process can be accessed at the following path on the SEBI website – [www.sebi.gov.in](http://www.sebi.gov.in) :

Home » FAQs » FAQs on Primary Market Issuances » Use of Unified Payments Interface (UPI) with ASBA in public issue process

7. All entities involved in the process are advised to take necessary steps to ensure compliance with this circular.

8. This circular is being issued in exercise of the powers under section 11 read with section 11A of the Securities and Exchange Board of India Act, 1992.

9. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework" and "Issues and Listing".

Yours faithfully,

**Narendra Rawat General Manager**

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**Unquote: -**

Trading Members are requested to take note of the aforesaid guidelines of SEBI and act accordingly.

**Dhiraj Chakraborty**

**Deputy General Manager**