

## SEBI clarifies on transfer of securities

15 October 2018



The Securities and Exchange Board of India (SEBI) issued a press release on 10 August that provides clarifications with respect to amendments to regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which stated that transfers of listed securities would not be processed after 5 December 2018, unless such securities are held in a dematerialized form with a depository. The press release clarified the following:

- The amendment does not prohibit investors from merely holding the securities in physical form;
- The amendment is not applicable for transmission (i.e. transfer of title of securities by way of inheritance/succession) and transposition (i.e. rearrangement/interchanging of the order of name of holders of securities) cases; and
- Any investor who is desirous of transferring securities that are held in physical form after 5 December 2018 can do so only after the shares are dematerialized.

*The business law digest is compiled by **Nishith Desai Associates** (NDA). NDA is a research-based international law firm with offices in Mumbai, New Delhi, Bengaluru, Singapore, Silicon Valley, Munich and New York. It specializes in strategic legal, regulatory and tax advice coupled with industry expertise in an integrated manner.*