

Department: Inspection	Segment: All
Circular No: MSE/INSP/14451/2023	Date : November 16, 2023

Subject: Most Important Terms and Conditions (MITC)

To All Members,

SEBI has issued circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/180 dated November 13, 2023, on the subject "Most Important Terms and Conditions (MITC)". A copy of the said circular is enclosed as **Annexure A** for your reference.

Members are advised to take note of the contents of the circular and comply.

For and on behalf of
Metropolitan Stock Exchange of India Limited

Mahendra Choudhari
AVP – Inspection and Membership Department

In case of any query kindly contact Inspection Department on (022) 6112 9000 or mail on compliancemsx@msei.in.

Metropolitan Stock Exchange of India Limited

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CIRCULAR**SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/180****November 13, 2023**

To,
Stock Brokers through recognized Stock Exchanges

Dear Sir/Madam,

Subject: Most Important Terms and Conditions (MITC)

1. SEBI has prescribed the following uniform documents for formalizing the broker-client relationship, as per clause 20 of “Master Circular on stock brokers” dated May 17, 2023:
 - i. Account opening form
 - ii. Rights and obligations
 - iii. Risk disclosure documents
 - iv. Guidance note
 - v. Policies and procedures
 - vi. Tariff sheet
- A copy of these documents is required to be provided by the broker to the clients free of charge.
2. Typically, these documents are voluminous and investors may lose focus on critical aspects of the relationship with the broker.
3. In order to bring into focus the critical aspects of the broker-client relationship and for ease of understanding of the clients, it has been decided that brokers shall inform a standard Most Important Terms and Conditions (MITC) which shall be acknowledged by the client.
4. The form, nature of communication, documentation and detailed standards for implementation of MITC shall be published on or before January 01, 2024, by the Brokers’ Industry Standards Forum (ISF), under the aegis of stock exchanges, in consultation with SEBI.
5. In the event that the ISF is unable to publish the same, as above, in whole or in part, then SEBI, may, at its discretion, publish standards in respect of the same.

6. In view of the above, additional clause 20.1.6 may be incorporated in the master circular and 20.4 of the master circular stands amended as under.

“20.1.6. Most Important Terms and Conditions”

“20.4in the future. The client would also be required to give acknowledgement of Most Important Terms and Conditions (MITC)”

7. For onboarding of new clients, the date of the implementation and compliance by the market participants shall be April 01, 2024.
8. For existing clients, the MITC shall be informed to clients via email or any other suitable mode of communication (which can be preserved) by June 01, 2024.
9. The stock exchanges are directed to:
- bring the provisions of this circular to the notice of stock brokers, and also disseminate the same on their websites;
 - make amendments to the relevant bye-laws, rules and regulations for the implementation of the above provisions;
 - publish the implementation standards on their websites; and
 - communicate to SEBI, the status of the implementation of the provisions of this circular in their monthly development report.
10. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 30 of SEBI (Stock Brokers) Regulations, 1992 and Regulation 51 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,

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