

<b>Department: Compliance</b>	<b>Segment: All</b>
<b>Circular No: MSE/COMP/15227/2024</b>	<b>Date : April 23, 2024</b>

**Subject: Amendment to Rules of MSE**

To the Trading Members of applicable segment,

**The Rules of MSE are amended as under w.e.f. April 23, 2024:**

**Chapter III Trading Membership**

**1) Rule 15 pertaining to Admission of Chapter III is amended by way of modification as under:**

“If the application is accepted and admitted as trading member, the admission fee paid shall be non-refundable in nature and if for any reason the application is rejected, the admission fee shall be refunded to the applicant, without any interest.”

**2) Rule 18 Clause (ca) of Chapter III is amended by way of Addition of sub-clause (d) in Explanation 1 (I) as under:**

“Transfer/Transmission of shareholding among immediate relative will not covered under para (I) (c) of Explanation I given above: Transfer or transmission of shareholding among immediate relatives as defined under regulation 2(I) of SEBI SAST regulation shall not be construed as change in control.”

**3) Rule 18 Clause (ca) of Chapter III is amended by way of Addition in Explanation 1 (II) as under:**

“In case of Intermediary being a proprietary concern, the transfer of bequeathing of business/capital by way of transmission to another person is a change in the legal formation and hence such transmission or transfer is required to obtain prior approval and thereafter a fresh registration shall be obtained in the name of legal heir/transferee.”

**4) Rule 18 Clause (ca) of Chapter III is amended by way of Addition in Explanation 1 (III) as under:**

**“In case of Partnership Firm:**

Transfer of Ownership Interest in case of Partnership Firm.

Inter-se Transfer of Partner shall not be construed as change in control. Where the partnership consists of only two partners, the same would stand as dissolved in case of the death of one Partner. However when the new partner is inducted then the same would be construed as change in control requiring fresh registration

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and prior approval of SEBI. Furthermore, if there is a specific clause in the partnership deed that the legal heir of the deceased would become partner, then bequeathing of partnership right to legal heir by way of transmission shall not amount to Change In Control.”

For any clarifications, contact Customer Service on 022-61129010 or send an email to [customerservice@msei.in](mailto:customerservice@msei.in).

**For and on behalf of  
Metropolitan Stock Exchange of India Limited**

**Praveenkumar Acharya  
AVP – Compliance and Internal Control**