Ministry of Finance

Department of Economic Affairs amends Rule 8 of the Securities Contracts (Regulation) Rules, 1957

Amendment gives regulatory clarity to enhance ease of doing business for brokers

Posted On: 19 MAY 2025 5:50PM by PIB Delhi

The Department of Economic Affairs (DEA), Ministry of Finance, amended Rule 8 of the Securities Contracts (Regulation) Rules (SCRR), 1957, via Gazette Notification G.S.R. 318(E). The amendment gives regulatory clarity to enhance ease of doing business for brokers.

After taking note of the concerns raised by various stakeholders over certain provisions in the said Rules, the DEA had released a Consultation Paper in September, 2024, (Consultation Paper for Public Comments on Rule 8 SCRR (1957).pdf) inviting stakeholder comments.

Given the growth in the scale and interconnectedness of the financial sector and the evolution of nature of business of brokers with time, the DEA felt it necessary to review the appropriateness of safeguards embedded in the Rules so that the intent of the Rules is served without constraining activities of the stakeholders.

The amendment has been carried out after due consideration of feedback from the stakeholder and is part of the broader emphasis of the Government to provide regulatory clarity and enhance ease of doing business in the financial sector. It will ensure that market intermediaries continue to support the development of India's capital markets in a transparent and well-regulated manner.

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(Release ID: 2129667)