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### **On-line Resolution of Disputes mechanism in the Indian Securities Market**

Securities and Exchange Board of India (“SEBI”) vide its Circular No. SEBI/HO/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023 as subsequently amended vide Circular No. SEBI/HO/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023 (jointly referred hereinafter as “Circular”) has introduced on-line Resolution of Disputes mechanism in the Indian Securities Market streamlining the existing dispute resolution mechanism by establishing a common On-line Dispute Resolution Portal (“**ODR Portal**”) which harnesses on-line Conciliation and on-line Arbitration for resolution of disputes arising in the Indian Securities Market. Certain salient features of the new mechanism, in the context of listed companies, are enumerated below :

- The Circular is **applicable to all listed entities** as well as to their Registrar and Transfer Agents and also to Clearing Corporations, Depositories, Stock Brokers, Depository Participants, SEBI Registered Intermediaries and SEBI Regulated Entities.
- **All disputes** between Investors/Clients and listed companies (including their Registrar and Share Transfer Agents) or any of the specified intermediaries / regulated entities in securities market **arising out of latter’s activities** in the securities market, will be resolved in accordance with this Circular.
- A common On-line ODR Portal, called the **SMART ODR** (<https://smartodr.in>), has been established for this purpose and trading members and **listed companies are required to enroll** with it by **September 15, 2023**.
- The listed companies are required to follow the necessary procedure for account creation as will be sent from the mail-id : **noreply@mailers.smartodr.in** to the registered compliance officer's email id as available in the exchange's records.



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- The ODR Portal will be connected with the existing SEBI's SCORE / SEBI's Intermediary portal and facility to enrol into the ODR portal by utilising the credential used for SEBI's SCORE portal can also be exercised by the listed entities.
- The enrolment process shall also include executing electronic term/agreements with Stock Exchanges and Depositories and the ODR Institution. However, the same shall be deemed to be executed and the listed companies shall be **deemed to have been enrolled** on the ODR portal, if no separate registration process is exercised by the Company on or before the specified due date.
- An Investor can lodge its complaint directly to the Company, escalating it further through SCORE system, before initiating dispute resolution through the ODR Portal or alternatively, can directly initiate dispute resolution through the ODR Portal, provided no complaint is pending at any level or with any court, tribunal, consumer forum or before any arbitral process or the Company is not under CIRP-IBC or winding up or liquidation.
- However, all matters that are appealable before the Securities Appellate Tribunal in terms of Section 15T of SEBI Act, 1992 (other than matters escalated through SCOREs portal in accordance with SEBI SCOREs Circular), Sections 22A and 23L of Securities Contracts (Regulation) Act, 1956 and 23A of Depositories Act, 1996 shall be outside the purview of the ODR Portal.
- Under ODR Portal, the complaint will first be routed through Conciliation process. In case of non-resolution through the Conciliation process or if the listed company or the investor desire, the matter can be escalated to Arbitration process.
- The entire process will be conducted in the on-line mode.



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- There will be no fee for registration. However, the process of conciliation and arbitration will be subject to stipulated fees.
- The listed companies are required to bring the provisions of this Circular to the notice of the investors and also to disseminate the same on their website and also to display a **link to the ODR Portal on the home page of their website.**

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**## Disclaimer : The above note/analysis has been prepared by our research team for knowledge sharing and guidance purpose only and is not for commercial use. For authentication of data/information provided, please refer the respective acts, rules and regulations. For any further query in the matter, you may contact us at [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) or [aklabh@aklabh.com](mailto:aklabh@aklabh.com) Please visit at [www.aklabh.com](http://www.aklabh.com) to know more about us and our services.##**