

CIRCULAR

SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/36

March 10, 2023

To

All registered Registrars to an Issue and Share Transfer Agents (RTAs)

Dear Sir / Madam,

Clarification with respect to Qualified RTAs (QRTAs)

1. Vide SEBI Circular SEBI/HO/MIRSD/CIR/P/2017/0000000100 dated September 08, 2017 (*issued with respect to Cyber Security and Cyber Resilience Framework for RTAs*), QRTAs have been defined as RTAs servicing more than 2 crore folios. QRTAs are required to comply with enhanced responsibilities through adoption and implementation of an internal policy framework and periodic reporting requirements as specified in various SEBI circulars issued from time to time.

2. In this regard, following is clarified:

a. Categorization of an RTA as QRTA

An RTA shall be categorized as a QRTA if at any time during a financial year, the combined number of physical and demat folios being serviced by the RTA for listed companies exceeds 2 crore.

In case of an RTA being categorized as a QRTA, an intimation to this effect shall be sent by the RTA within 5 working days to SEBI.

b. Period for which an RTA shall be recognized as QRTA

An RTA shall be considered as a QRTA from the date of categorisation as a QRTA as per para 2(a) above and shall be considered as such for the next 3 financial years, irrespective of subsequent fall in number of folios and shall be liable to comply with all requirements specified from time to time.

c. Initial relaxation

Considering the various systems and procedures to be put in place by a new QRTA, a period of 60 days from the date of its categorisation as a QRTA as per para 2(a) above shall be provided to the new QRTA for complying with the enhanced requirements mandated for QRTAs.

3. This circular shall come into effect immediately.
4. This circular is issued in exercise of powers conferred by Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
5. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework -> Circulars".

Yours faithfully,

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