



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

Consultation Paper

INTERIM RECOMMENDATIONS OF THE EXPERT
COMMITTEE FOR FACILITATING EASE OF DOING
BUSINESS AND HARMONIZATION OF THE
PROVISIONS OF ICDR AND LODR REGULATIONS

JANUARY 11, 2024



OBJECTIVE

1. The objective of this consultation paper is to seek comments / views / suggestions from the public and other stakeholders on interim recommendations of the Expert Committee for facilitating ease of doing business and harmonization of the provisions of the ICDR and LODR Regulations (“**Expert Committee**”).

BACKGROUND AND CONSTITUTION OF THE EXPERT COMMITTEE

2. One of the announcements in the Union Budget for FY 2023-24, was:
“To simplify, ease and reduce cost of compliance, financial sector regulators will be requested to carry out a comprehensive review of existing regulations. For this, they will consider suggestions from public and regulated entities.....”
3. Pursuant to the Budget Announcement, an Expert Committee chaired by Shri S.K. Mohanty, ex-Whole Time Member, SEBI was set up to *inter-alia* review the LODR and ICDR Regulations from the point of view of facilitating ease of doing business.
4. Further, SEBI, pursuant to its press release dated October 4, 2023, invited suggestions from the public and regulated entities to simplify, ease and reduce the cost of compliance under various SEBI regulations, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**” or “**LODR**”) & SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**ICDR Regulations**” or “**ICDR**”). The comments received from the public are being deliberated in the Working Groups formed by the Expert Committee.
5. Meanwhile, the Expert Committee has submitted a report containing interim recommendations for facilitating ease of doing business under the LODR & ICDR Regulations. The report of the Expert Committee can be accessed [here](#).



INTERIM RECOMMENDATIONS OF THE EXPERT COMMITTEE

6. The Expert Committee has given its recommendations on the following aspects-

6.1. LODR Regulations

- 6.1.1. Applicability of the regulations on the basis of market capitalization
- 6.1.2. Limit of membership and chairmanship of committees for a director
- 6.1.3. Filling up of vacancies of key managerial personnel
- 6.1.4. Timeline for prior intimation of board meetings
- 6.1.5. Gap between meetings of the Risk Management Committee.

6.2. ICDR Regulations

- 6.2.1. Inclusion of equity shares received on conversion or exchange of fully paid-up Compulsory Convertible Securities and depository receipts for the purpose of Minimum Promoters' Contribution
- 6.2.2. Non-individual shareholders to be permitted to contribute towards Minimum Promoters' Contribution without being identified as a promoter
- 6.2.3. Thresholds for increase or decrease in issue size triggering re-filing of draft offer documents
- 6.2.4. Flexibility to extend the bid/offer closing date on account of force majeure events minimum by one day instead of present requirement to extend by minimum three days

A summary of the interim recommendations may be accessed [here](#).

PUBLIC COMMENTS

7. Public Comments are solicited on the interim recommendations of the Expert Committee. The comments / suggestions along with rationale should be sent only by email to consultationcfd@sebi.gov.in in the [prescribed format](#), no later than **February 01, 2024**.

8. While sending the email, kindly mention the subject as "*Comments on the interim recommendations of the Expert Committee for facilitating ease of doing business and harmonization of the provisions of ICDR and LODR Regulations.*"
