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SEBI publishes Consultation Paper on strengthening the Investor Grievance Redressal Mechanism in the Indian Securities Market by harnessing Online Dispute Resolution mechanisms

As part of its endeavour to further enhance the protection of investors, SEBI proposes to strengthen the Investor Grievance Redressal Mechanism in the Indian Securities Market by harnessing Online Dispute Resolution mechanisms. SEBI has published a Consultation Paper on the same.

Presently, in case an investor has a grievance, she may lodge a complaint with the concerned intermediary, Market Infrastructure Institution (MII) or SCORES, for resolution. If the investor is not satisfied with the resolution she may opt for MII administered mediation and/or arbitration for resolution of the complaint, for specific intermediaries.

In order to streamline and strengthen the mediation and arbitration process in the Indian Securities Market, the following proposals are being considered:

- (1) Strengthening the existing MIIs administered mediation and arbitration mechanism, by making these processes more accessible and effective:
 - a. By suggesting that these processes are conducted online on an end-to-end basis using the capacity, technology, and other assistance of online dispute resolution institutions;
 - b. By modifying these processes for the benefit of the investor.
- (2) Extending the MIIs administered mediation and arbitration mechanism as modified above for resolution of investor/client grievances in respect of all specified securities market intermediaries. This will make the grievance redressal process more simplified, streamlined and efficient for the investors.

A consultation paper elaborating the proposals (mentioned at points 1 and 2 above), has been uploaded on the SEBI website for seeking inputs from the public. The same may be accessed through the following link:

https://www.sebi.gov.in/reports-and-statistics/reports/dec-2022/consultation-paper-on-strengthening-the-investor-grievance-redressal-mechanism-in-the-indian-securities-market-by-harnessing-online-dispute-resolution-mechanisms_66361.html

The last date for submission of public comments is January 09, 2023.

Mumbai

December 21, 2022