

Info Capsule



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

August 6, 2019

1. Master Direction - Reserve Bank of India ('Fit and Proper' Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 (RBI/DBR/2019-20/71 Master Direction DBR.Appt.No: 9/29.67.001/2019-20 : dated August 2, 2019)

In exercise of the powers conferred by sub-section (2) of Section 19A of the State Bank of India Act, 1955 and sub-sections (3AA) & (3AB) of Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, Reserve Bank of India being satisfied that it is necessary and expedient in the public interest to do so, has notified and specified the authority, manner, procedure and criteria for determining the 'fit and proper' status of a person to be eligible to be elected as a director on the Board of Public Sector Banks, and issues the Directions hereinafter specified.

The broad criteria for determining the 'fit and proper' status of the proposed candidates is as under:

- i. Age – The candidate's age should be between 35 to 67 years as on the cut-off date fixed for submission of nominations for election.
- ii. Educational qualification – The candidate should at least be a graduate.
- iii. Experience and field of expertise – The candidate shall have special knowledge or practical experience in respect of one or more of the matters enumerated in section 19A(a) of the SBI Act / section 9(3A)(A) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, as the case may be, read with RBI Circular DBR. Appt.BC No 39/29.39.001/2016-17 dated November 24, 2016.
- iv. Disqualifications: In addition to 'Disqualifications of Directors' as prescribed in Section 22 of the SBI Act, 1955 / Clause 10 of Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970/80 shall also apply
- v. Tenure – An elected director shall hold office for three years and shall be eligible for re-election: Provided that no such director shall hold office for a period exceeding six years, whether served continuously or intermittently.
- vi. Professional Restrictions –
 - i. The candidate should neither have any business connection (including legal services, advisory services etc.) with the concerned bank nor should be engaged in activities which might result in a conflict of business interests with that bank.
 - ii. The candidate should not be having any professional relationship with a bank or any NOFHC holding any other bank.

Provided that a candidate having any such relationship with a bank at the time of filing nomination for election shall be deemed to be meeting the requirement under item (b), the candidate shall submit a declaration to the Committee that such relationship with the bank shall be severed if he is elected as a director, and upon being elected, severs such relationship before appointment as a director of the bank.

- vii. Track record and integrity - The candidate should not be under adverse notice of any regulatory or supervisory authority/agency, or law enforcement agency and should not be a defaulter of any lending institution.

The detailed Master Direction is available at:
<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11649&Mode=0>

2. *Streamlining issuance of SCORES Authentication for SEBI registered intermediaries (CIRCULAR No. SEBI/HO/OIAE/IGRD/CIR/P/2019/86: dated August 02, 2019)*

SEBI vide Circular No. CIR/OIAE/1/2014 dated December 18, 2014 had directed all listed companies and SEBI registered intermediaries (excluding Stock Brokers and Depository Participants) to send their details to SEBI in order to obtain SCORES user id and password.

In partial modification of the abovementioned circular, the generation of SCORES user id and password has been automated for all new SEBI registered intermediaries. This has been done to streamline the process of providing SCORES credentials in the interest of investors. SCORES user id and password details shall be sent to all new SEBI registered intermediaries, through an auto-generated e-mail, upon completion of process of online grant of registration by SEBI.

The primary e-mail address in SCORES is the e-mail ID where all notifications related to SCORES complaints are sent to the SEBI registered intermediary. All existing and new SEBI registered intermediaries will now be able to update their primary e-mail address and registered address on their own.

All listed companies will continue to follow the process, as provided in CIR/OIAE/1/2014 dated December 18, 2014, for obtaining SCORES user id and password.

The detailed circular is available at: https://www.sebi.gov.in/legal/circulars/aug-2019/streamlining-issuance-of-scores-authentication-for-sebi-registered-intermediaries_43783.html