



**CIRCULAR**

CIR/MRD/DP/ 33 /2010

October 07, 2010

To

All Stock Exchanges and Depositories

Dear Sir/ Madam,

**Sub: Review of Securities Lending and Borrowing (SLB) Framework**

1. In partial modification to SEBI circular MRD/DoP/SE/Cir-31/ 2008 dated October 31, 2008, para 2 (a) shall read as under –
  - 2 .....
    - (a) Dividend: The dividend amount would be worked out and recovered from the borrower on the book closure/ record date and passed on to the lender.
2. The other provisions, as specified in SEBI circular no. MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007 on “Short selling and securities lending and borrowing”, SEBI circular no. MRD/DoP/SE/Cir- 31/2008 dated October 31, 2008 on “Review of Securities Lending and Borrowing (SLB) Framework” and SEBI circular no SEBI/MRD/DoP/SE/Dep/Cir-01/2010 dated January 06, 2010 on “Review of Securities Lending and Borrowing (SLB) Framework” shall continue to be applicable.
3. Exchanges are advised to
  - a) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision.
  - b) bring the provisions of this circular to the notice of the member brokers/clearing members of the Exchange and also to disseminate the same on the website.
  - c) communicate to SEBI, the status of the implementation of this circular in the Monthly Development Report.
4. This circular is being issued in exercise of powers conferred under 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.

Yours faithfully,

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