



SEBI notifies measures to curb market volatility owing to COVID-19

The Securities and Exchange Board of India (SEBI) has notified measures to curb the ongoing market volatility due to COVID-19. The regulatory measures would become effective from 23 March 2020 for a period of one (1) month. SEBI would review the position thereafter and take an appropriate view thereupon. Stock exchanges / clearing corporations will issue necessary instructions to market participants in this regard. SEBI and stock exchanges will continuously monitor the market developments and review the position to take any further suitable actions as may be required.

The regulatory measures taken by SEBI include the following:

1. SEBI has revised the market wide position limit to fifty percent (50%) of the existing levels for stocks in future & option segment meeting the specified criteria. The revised limit shall be applicable to fresh positions and not for determining the enhanced eligibility criteria for derivatives stocks.
2. SEBI has also revised limits for the exposure of mutual funds/FPIs/trading members (Proprietary)/clients in equity index derivatives.
3. In addition to the existing requirements, the dynamic price bands may be flexed only after a cooling off period of 15 minutes from the time of meeting the existing criteria specified by stock exchanges for flexing.

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We continue business as usual and our attorneys and staff are available to provide our clients uninterrupted service. Please do not hesitate to reach out with questions or concerns at any time. We hope that you and your family remain healthy and safe throughout this global health challenge.

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