Rule - 1, SEBI (TERMS AND CONDITIONS OF SERVICE OF CHAIRMAN AND MEMBERS) RULES, 1992

SECURITIES AND EXCHANGE BOARD OF INDIA (TERMS AND CONDITIONS OF SERVICE OF CHAIRMAN AND MEMBERS) RULES, 1992

In exercise of the powers conferred by section 29 of the Securities and Exchange Board of India Ordinance, 1992 (15 of 1992), the Central Government hereby makes the following rules, namely—

Short title and commencement

1. (1) These rules may be called the Securities and Exchange Board of India (Terms and Conditions of Service of Chairman and Members) Rules, 1992.

(2) They shall come into force on the date of publication of this Notification.

Definitions

2. In these rules, unless the context otherwise required :—

(*a*) "Ordinance" means the Securities and Exchange Board of India Ordinance, 1992 (15 of 1992).

(*b*) "Board" means the Securities and Exchange Board of India, established under section 3 of the Ordinance.

(*c*) "Chairman" means the Chairman of the Board.

(*d*) "Member" means a Member of the Board.

IndiaCode

Terms and Conditions of Service of Chairman and Members

3. (1) The Chairman or the whole-time Member shall be a person who does not, and will not, have any such financial or other interests as are likely to affect prejudicially his functions as such Chairman or Member.

(2) The Chairman and every whole-time Member shall hold office for such period, not exceeding 5 years, as may be specified in the order of his appointment; but he shall be eligible for reappointment:

Provided that no person shall hold office as the Chairman or a Member after he attains the age of sixty-five years.

(3) The Chairman or a whole-time member appointed to fill up a causal vacancy shall hold office for the reminder period of the term of the Chairman or, as the case may be, memberin whose place he is appointed.

(4) The Chairman or whole time Member shall not accept any employment before the expiry of a period of one year from the date of demitting the office in the Securities and Exchange Board of India, except with the previous sanction of the Central Government.

[1] **[** *(5) The Chairman and every whole time Member shall be appointed by the Central Government on the recommendation of* [2]***[****the Financial Sector Regulatory Appointments Search Committee****]*** *consisting of the following, namely:—*

(a) *Cabinet Secretary* - *Chairman;*

(b) *Additional Principal Secretary to the Prime Minister* - *Member;*

(c) *Secretary, Department of Economic Affairs* - *Member;*

(d) *Chairman, Securities and Exchange Board of India (for selection of whole-time Member)* - *Member;*

(e) [3] ***[*** *three outside experts* ***]*** *of repute (to be nominated by the Central Government from a panel of experts in the fields of Finance, Economics, Law, Public Administration, Financial Markets and related subjects maintained by it)* - *Member*.**]**

IndiaCode

Pay

4. (1) The Chairman and whole-time Members shall have an option to receive pay,—

(a) as admissible to a Secretary and Additional Secretary to the Government of India respectively; or

[1] **[** *(b) a consolidated salary of Rs.4.50 lakh per month and Rs.3.75 lakh per month respectively, without house and car, as amended from time to time through orders of Department of Expenditure, Government of India*.**]**

Provided that the Chairman and the whole-time Memberwho holds the office as such Chairman or, as the case may be, the Member, on the date of commencement of the Securities and Exchange Board of India (Terms and Conditions of Chairman and Members) Amendment Rules, 2009, shall have option under sub-rule (1) with effect from the 1st day of January, 2006.

(2) In the case of an appointment of a person as a Chairmanor a whole-time Member shall have an option to receive pay as admissible to a Secretary and Additional Secretary to the Government of India respectively who has retired from service under the Central Government or the State Government and who is in receipt of, or has received, or has become entitled to receive any retirement benefits by way of pension, gratuity, employer's contribution to the Contributory Provident Fund or other funds or retirement benefits the pay and allowances of such Chairman or member, as the case may be, shall be reduced by gross amount of pension and pension equivalent of gratuity or employer's contribution to the Contributory Provident Fund or any other form of retirement bene-fits, if any, drawn or to be drawn by him.

Dearness Allowance and City Compensatory Allowance

5. The Chairman and a whole-time Member who has opted pay as admissible to a Secretary and Additional Secretary to the Government of India respectively shall receive Dearness Allowance and City Compensatory Allowance at the rates admissible to a Group 'A' Officer of the Central Government

Entertainment Allowance

6. The Chairman and a whole-time Member shall be entitled to Entertainment Allowance subject to a maximum of Rs. 6,000 per annum.

Leave

7. The Chairman and a whole-time Member shall be entitled to a leave as follows :

(*i*) Earned Leave at the rate of thirty days (30 days) for every completed calendar year of service:

Provided that the leave account shall be credited with earned leave in advance in two instalments of fifteen days (15 days) each from the first day of January and July of every calendar year:

Provided further that the earned leave at the credit at the close of previous half year shall be carried forward to the next half year, subject to the condition that the leave so carried forward plus credited for half year do not exceed 240 days.

(*ii*) Half Pay Leave on medical certificate or on private affairs at the rate of twenty days (20 days) in respect of each completed year of service to be credited in advance in two instalments of ten days each on 1st January and 1st July of every calendar year and leave salary for half pay leave shall be equivalent to half of the leave salary admissible during the earned leave;

(*iii*) Leave on Half Pay may be commuted to full pay leave at the discretion of the Chairman or a whole-time Member, if it is taken on medical grounds and is supported by a Medical Certificate by a competent medical authority;

(*iv*) Causal Leave at the rate of twelve days in a calendar year;

(*v*) Extraordinary leave without pay and allowances up to a maximum period of 180 days in one term of office;

(*vi*) Extraordinary leave without pay and allowances in a calendar year out of the holidays notified by the Central Government.

Leave sanctioning authority

8. The Chairman shall be the authority competent to sanction leave to a whole-time Member and the President of India shall be the authority competent to sanction leave to the Chairman.

Provident Fund

9. The Chairman or a whole-time Member shall be entitled to subscribe to the General Provident

Fund.

10. Travelling Allowance

(*i*) The Chairman, while on tour or on transfer (including the journey undertaken to join the Board or on the expiry of his term with the Board proceeds to his home town) shall be entitled to the travelling allowances, daily allowances, transportation of personal effects and other similar matters at the same scale and at the same rate as are prescribed for a Secretary to the Government of India.

(*ii*) A whole-time Member while on tour or on transfer (including the journey undertaken to join the Board or on the expiry of his term with the Board proceeds to his home town) shall be entitled to the travelling allowances, daily allowances, transportation of personal effects and other similar matters at the same scale and at the same rates as are prescribed for Group 'A' officer of equivalent rank of the Central Government.

Leave Travel Concession

11. (1) The Chairman shall be entitled to Leave Travel Concession at the same rates and at the same scales as are applicable to a Secretary to the Government of India.

(2) A whole-time Member shall be entitled to Leave Travel Concession at the same rates and at the same scales as are applicable to a Group 'A' officer of the Government of India

Accommodation

12. (1) The Chairman and a whole-time Member shall be entitled to rent free unfurnished house and the Board shall approve the type of accommodation, purchase price or rent of the house to be used for residence by the Chairman or a whole-time Member.

(2) Charges for water, electricity and fuel consumed in the house shall be borne by the occupant of the house.

(3) Where the Chairman or a whole-time Member occupies his own accommodation or makes private arrangements, he shall be entitled to a compensation comprising of 10 per cent of his Basic Pay and House Rent Allowance as admissible to a Group 'A' officer of the Government of India.

(4) Nothing in this rule shall apply to the Chairman and a whole time Member who has opted a consolidated salary of Rs. 3,00,000 per month and Rs. 2,50,000 per month respectively.

onveyance

13. (1) The Chairman and a whole-time Member shall be entitled to a staff car of the Board for official purpose.

(2) If the staff car is used by the Chairman or a Member for private purpose an amount for non-duty journey shall be payable to the Board at the following rates :—

	Below 16HP (Rs.)	*Above 16 HP (Rs.)*
Non-air-conditioned car	250 p.m.	375 p.m.
Air-conditioned car	400 p.m.	600 p.m. :

Provided that such non-duty journeys shall not exceed 1000 kms. in the cities of Delhi, Bangalore, Bombay, Calcutta, Madras and Hyderabad and 750 kms. in all other cities in a month; journeys from residence to office being treated as duty runs.

(3) Nothing in this rule shall apply to the Chairman and a whole-time Member who has opted a consolidated salary of Rs. 3,00,000 per month and Rs. 2,50,000 per month respectively.

Bonus

14. The Chairman and a whole-time Member shall not be entitled to bonus.

IndiaCode

Sitting Fees and Board's Meetings

15. The Chairman and a whole-time Member shall not be entitled to any sitting fees for attending meetings of the Board.

Gratuity

16. The Chairman or a whole-time Member shall not be entitled to gratuity.

Encashment of Leave

17. The Chairman or a whole-time Member shall be entitled to the encashment of leave in accordance with the rule applicable to Group 'A' officers of Government of India, subject to a maximum encashment of 240 days, including the leave encashed before superannuation.

Facilities for medical treatment

18. The Chairman or a whole-time Member shall be entitled to medical treatment and hospital facilities as provided in the Contributory Health Services Schemes Rules, 1954.

Residuary Provisions

19. Matters relating to the conditions of service of the Chairman or a whole-time member with respect to which no express provision has been made in these rules shall be referred in each case, to the Central Government for its decision and the decision of the Central Government thereon shall be final.

Terms and Conditions of Services of Part-time Members

19A. (1) A part-time Member shall be a person who does not, and will not, have any such financial or other interest as is likely to affect prejudicially his functions as a part-time Member.

(2) Every part-time Member shall hold office for such period, not exceeding three years, as may be specified in the order of his appointment, but shall be eligible for reappointment.

(3) A part-time Member appointed to fill up a casual vacancy, shall hold office for the reminder period of the termof whole-time or part-time Member in whose place he is appointed."

Fee and Allowances of Part-time Members

19B. (1) A part-time Member shall be entitled to receive remuneration by way of a fee of [1]**[***rupees ten thousand***]** only for each meeting of the Board attended by him.

(2) A part-time Member while on tour (including the journey undertaken to attend a meeting of the Board) shall also be entitled to travelling allowance and daily allowances at the same rates and scale as are applicable to an Additional Secretary to the Government of India.

Power to Relax

20. The Central Government shall have power to relax the provisions of any of these rules with respect to any class or category of persons.

Notification : *No. SO 146(E).*

IndiaCode