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ARBITRATION MECHANISM OF STOCK EXCHANGES

SEBI vide its circular ref. no. CIR/MRD/DSA/24/2010 dated August 11, 2010 has streamlined the arbitration mechanism available at stock exchanges for arbitration of disputes (claims, complaints, differences, etc.) arising between a client and a member (Stock Broker, Trading Member and Clearing Member) across various market segments directing the stock exchanges to provide an arbitration mechanism for settlement of disputes between a client and a member through arbitration proceedings in accordance with the provisions of this Circular read with Section 2(4) of the Arbitration and Conciliation, Act, 1996. The circular also prescribes that the limitation period for filing an arbitration reference shall be governed by the provisions of the Limitation Act, 1963.

In this regard SEBI vide its subsequent circular ref. no. CIR/MRD/DSA/2/2011 dated February 09, 2011 has decided that the limitation period, as modified to three years in terms of Limitation Act, 1963, shall be applicable to cover inter alia the following cases:-

- i. where three years have not yet elapsed and the parties have not filed for arbitration with the stock exchange, or
- ii. where the arbitration application was filed but was rejected solely on the ground of delay in filing within the earlier limitation period of six months; and three years have not yet elapsed;

Please visit the following hyperlinks to go through the aforesaid SEBI circulars.

[Circular ref. no. CIR/MRD/DSA/24/2010 dated August 11, 2010](#)

[Circular ref. no. CIR/MRD/DSA/2/2011 dated February 09, 2011](#)