

SEBI delays implementation of new norms for proxy advisors due to Covid-19

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The Securities and Exchange Board of India (SEBI) has deferred implementation of the new procedural guidelines for proxy advisors.

The new framework, which was to come into effect from September 1, will now be applicable from January 1, 2021. “After taking into consideration requests received from registered proxy advisors, and the prevailing business and market conditions due to Covid-19 pandemic, it has been decided to extend the timeline for compliance by four months,” SEBI said in a circular.

In August, SEBI issued the procedural guidelines aimed at increasing accountability, addressing conflict of interest, and establishing greater communication between proxy advisors and their clients and the company. More importantly, SEBI has allowed India Inc to present its counterview and has also put in place a grievance redressal mechanism.