



PR No.14/2023

**SEBI at an early stage of considering simplification of the process of on-boarding of clients by adoption of risk based approach**

This is with reference to some media articles speculating that SEBI is seeking to curb retail participation in derivative markets.

In this regard, it is clarified that there is no proposal to curb retail participation in derivative markets.

Currently, for trading in the derivative segment, [SEBI Circular dated December 03, 2009](#) (now incorporated under [Master Circular](#) for Stock Brokers dated May 17, 2023), *inter alia*, prescribes that the stock broker shall have documentary evidence of financial capability for all clients.

SEBI, in line with the objective of ease of doing business, is at an early stage of evaluating if the aforesaid circular can be made applicable based on risk assessment of the clients. This would promote ease of compliance for brokers and investors. Further, SEBI's focus has always been on adequate risk management, while ensuring ease of doing business and compliance, rather than on placing any curbs on trading.

It is reiterated that proposals which result in any change in the regulatory framework, go through a process of comprehensive consultation with all stakeholders including the public, before any decision is taken by the Board.

**Mumbai**  
**July 29, 2023**