

For the purpose of Regulation 20 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, and Direction for Central Counterparties, an applicant, shall be deemed to be a fit and proper person, if –

- a. such a person has a general reputation and record of fairness and integrity, including but not limited to -
 - i. financial integrity;
 - ii. good reputation and character; and
 - iii. honesty;
- b. such a person has not incurred any of the following disqualifications –
 - i. conviction of the person by a court for any economic offence or an offence of the securities laws;
 - ii. an Order for winding up has been passed against the person;
 - iii. the person has been declared insolvent and has not been discharged;
 - iv. an Order; restraining, prohibiting or debaring the person, from dealing in securities or from accessing the securities market, has been passed by the Board and a period of three years from the date of the expiry of the period specified in the Order has not elapsed;
 - v. any other Order against the person which has a bearing on the securities market, has been passed by the Board and a period of three years from the date of the Order has not elapsed:

Provided that for the purpose of sub-clauses (iv) and (v), any Order passed by the Board, against a recognised stock exchange or recognised clearing corporation shall not affect the operation of such recognised stock exchange or recognised clearing corporation unless expressly mentioned in the Order.

- vi. the Board has initiated recovery proceedings under the Act or the Securities and Exchange Board of India Act, 1992 (15 of 1992) that are pending;
- vii. the person is not financially sound or has been categorized as a wilful defaulter; and
- viii. any other disqualification as may be specified by the Board and RBI from time to time.