

ODR Platform: extension of online grievance redressal mechanism

SEBI Circular dated July 31, 2023 read with corrigendum cum amendment circular dated August 4, 2023

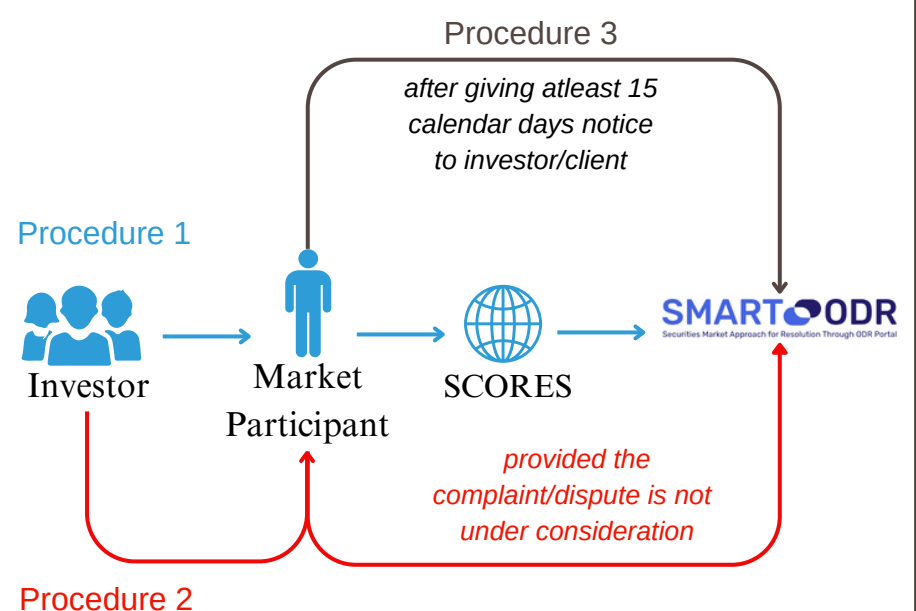
Salient Features

- *Is it an alternative to SCORES?* This platform is in addition to the SCORES platform i.e the investor/client can initiate dispute resolution through the ODR portal only after exhausting the option to resolve dispute with the MP and SCORES.
- *What is the purpose of ODR portal?* to harnesses time bound online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market.
- *What are the modes of dispute mechanisms through ODR?* Conciliation and arbitration.
- *Who will establish and operate ODR portal?* MIIs, in consultation with empaneled ODR Institutions, will establish, develop, operate, monitor and evaluate the ODR portal.
- *Who needs to register with the ODR portal?* Registration on ODR portal is to be done by
 - MII
 - ODR Institutions
 - Market Participants (MPs) which includes listed entities
 - Investor
- *Is there any fees for registration?* No, there is no fees for registration on the ODR portal or registration of complaint/dispute *per se*. The fees is required to be paid by investor/client/MP for availing services on the ODR portal i.e. for arbitration or conciliation
- *Are debt-listed entities also covered by SEBI Circular* - yes

Key Terms

- *ODR portal* - It refers to online dispute resolution portal. (<https://smartodr.in/login>)
- *Market Infrastructure Institutions (MII)* - Stock exchanges and depositories are collectively termed as Market Infrastructure Institutions
- *Market Participants (MP)* - All listed companies / specified intermediaries/ regulated entities in the securities market
- *ODR Institutions* - These institutions are service provides to MIIs and empaneled by MIIs for providing ODR services.

Dispute Resolution Mechanism of SEBI



Actionable for Listed Entity (LE)

1. Registration / enrolment on the ODR portal (<https://smartodr.in/login>) by September 15, 2023
2. Executing electronic terms with MIIs and ODR Institution
3. Website compliance
 - a. dissemination of the provisions pertaining to ODR platform (SEBI circular dated July 31, 2023 read with circular dated August 4, 2023)
 - b. display the ODR portal's link on the home page
4. Mobile application compliance
 - a. display of the ODR portal's link
5. All agreements, contractual frameworks or relationship between the LE and investor shall incorporate or deem to have incorporated the provision
 - a. that parties agree to undertake dispute resolution through ODR portal as per the SEBI Circular.
 - b. this shall include provisions in the shareholders agreements, other subscription agreements etc
6. Communications with the investor/client to have clear disclosure of
 - a. availability of the ODR portal
 - b. accessibility of ODR portal if the investor/client is unsatisfied with response of LE / Scores.
 - c. this shall include communication pursuant to any complaint and also any other communication with the investor like AGM notice, annual report etc
7. Sensitization and familiarization
 - a. LE is required to train its staff to enable them to attend to complaints/disputes and in handling the references arising from the ODR portal
 - b. train their staff in participating in online conciliation and arbitration

Additional actionable for Merchant Bankers / MFs / CRAs / DTs / RTAs / Depository Participants / Research Analysts / Brokers and other regulated entities

1. Have the option to opt for ODR - to be decided at the time of entering into agreements with clients
2. For continuing agreements - the option to opt out should be exercised within a period of 6 months i.e. by January 31, 2024, failing which, the option to resolve disputed through ODR platform shall be deemed to be exercised.