INDIA SECURITIES MARKET PRACTICE GROUP

Terms of Reference



**Background**

The INDIA national market practice group (IN NMPG) is a group of key industry experts representing financial institutions that participate in India’s securities market. The purpose of the group is to provide market participants with a forum for dialogue, consultation and resolution of issues relevant to India's securities market. The group is affiliated to the Global Securities Market Practice Group (Global SMPG) and will provide local market representation at regional and global meetings of the GSMPG.

**Vision and Mission**

IN NMPG aims to drive the reconciliation of divergent local market practices with the objective of achieving industry-wide efficacy by identifying and adopting standards that will also ensure that country specific requirements are in alignment with the practices of the global securities industry

**Membership**

Membership of the NMPG may comprise of senior staff from local custodian banks, broker dealers, depositories, infrastructure providers and market regulators. Members will be drawn from across the industry and should be representative of the issues impacting it. Any new member must advise the secretary for an invitation request or addition in the group prior to the meeting. A quorum of members must be present before a meeting can proceed. At least 8 from the standing members and 4 from the sub-committees must be present for the meeting to proceed. To address specific matters, the Convenor and Vice-convenors may invite other attendees (who are not members) in advance or ask that they be called on the day to attend the meeting. The Convenor and vice-Convenors will approve all changes to the membership.

**Organization**

The IN NMPG forum is thematically driven by three main focus groups represented by the following sub-committees.

1. Settlement & Reconciliation Workgroup (S&R WG): To engage CSD, Settlement Banks and other intermediaries for system enhancements to meet the needs of the industry and propose and drive implementation of best practices in matters relating to Settlement and Reconciliation.
2. Investment Funds: To provide solution for the Investment Funds Industry resulting in Profitability, Scalability and Service level.
3. Corporate Action Workgroup (CA WG): to engage CSD and other intermediaries in exploring and implementing best practices in matters relating to corporate actions processing.

The structure of IN NMPG forum and its working groups can be changed during the forum's activities. This change must be adopted by a voting. The majority of the votes of members shall be taken.

Members of the sub-committees may also be standing members of IN NMPG.

The IN NMPG forum is managed and administered by the steering committee and is composed of:

* Convenor
* Vice-Convenor
* One Secretary
* Chairs of the sub-committees

**Roles and Responsibilities of the Steering Committee:**

**Convenor**

* Contributes to the planning of the forum’s workload
* Lead meetings and vet the agenda
* Direct the forum by framing issues and setting the tone for the forum’s discussions
* Establish and review short-term and long term forum objectives
* Serve as a sounding board for the forum’s interests

**Vice - Convenors**

* Undertake responsibilities of the Convenor as a “stand-in” in the absence of the Convenor as well as a “co-pilot”.

**Secretary**

* Propose, prepare and distribute the agenda for each meeting, including liaising with internal or external stakeholders and understanding the workings and needs of the forum.
* Act as an information conduit for the forum in relation to issues discussed in affiliate groups such as the Global SMPG and APAC SMPG.
* Collating inputs from the forum for topics of interest cascaded down from the affiliate groups.
* Taking minutes, maintaining records and tracking action items

**Chair of sub-committees**

* To represent the views and concerns of their respective committees
* To provide leadership in advancing the objectives of their respective committees
* To provide inputs for meeting agenda
* To work with Chair to prioritize and address industry concerns
* To keep the forum informed of the discussions, activities and work progress in their respective committees

Elected Steering Committee (SC) members may serve a term of two years from the time of appointment. After the end of the two year tenure, the current SC member may reapply to resume their existing position or another open position within the committee.

The SC member may choose to retire early from the committee for various reasons but must give at least two months’ notice in advance of the next meeting. The vacant position will be made known immediately to all members of the forum. Interested candidates can submit their names and brief resume for collation by the Secretary and the election will take place via balloting, at the next meeting.

The newly elected SC member will serve out the remaining term of the position and then qualify for re-election thereafter with the rest of the committee.

For continuity, the retiring member will serve as a mentor to the newly-elected for the next two months and can choose to attend the first subsequent meeting to ensure seamless handover.

**Member election procedure**

The secretary will inform the members of the upcoming elections when the term of the original committee expires, 2 months in advance of the next physical meeting and request for indication of interest.

The secretary will collate the names and respective resumes and share these with all members on a bi-weekly basis as the list grows until the next physical meeting and the list finalized. Voting will take place during the physical meeting and candidates must appear in person.

Elections will be conducted by ballot where the ballots should include the names of the nominees with boxes marked “Yes” to be crossed against the selected choice. Separate ballots will be issued for the respective vacant committee positions.

Ballots will be collected and counted by the Secretary and verified by the Convenor and Vice-Convenors.

The winning candidate will receive the majority of the votes cast. Should there be a tie, the nominees receiving the same number of votes will proceed to the next round of voting and the process iterates until a winner is voted. Ballots will be prepared by the secretary on site as appropriate.

Members who are not able to attend the voting can send a voting proxy via email at least one week prior to the physical meeting. The email votes will be printed and taken into account when counting the physical votes.

The above procedure and terms of governance does not apply to the appointment of the co-chair positions of the sub-committees as they will be elected within the powers of their respective committee members. The forum will be updated as appropriate of any change in leadership of the committees.

**Voting**

Where a formal decision needs to be made collectively as a group at the meeting, the approach is to strive for a consensus first and if no consensus is reached, the majority of the votes of the SC members shall be taken.

**Meetings and Minutes guidelines**

* Frequency and timing of meetings - The IN NMPG forum will meet at regular intervals, ideally every 3 months or as and when required.
* Out-of-session items and special meetings - Special meetings may also be called to deal with specific or urgent issues.
* Communication - The Convenor will hold responsibilities for ensuring decisions are appropriately communicated. Agendas will be updated in the forum email invite via the Secretary at least a week prior to each meeting.

**Governance**

Members can also raise issues for discussion via email to the Secretary for collation. Additional matters can be raised during meetings but may only be responded to after the meeting.

The Secretary will maintain appropriate records of membership to support communication with members. Members are also responsible for providing the Secretary with up to date contact details and any specific communication preferences.

Members may also contact the Secretary or Convenor if they wish to raise issues outside of the meeting schedule.