



# SEBI defers new rule on royalty payout approvals

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## **'Representations need to be analysed'**

- The Securities and Exchange Board of India (SEBI) has postponed the implementation of a proposed regulation related to the manner in which royalty payment had to be approved by shareholders, which was to come into effect from April 1.

## **Towards brand usage**

- As per Regulation 23(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, payments made to related parties towards brand usage or royalty had to be considered material if the value exceed 2% of the annual consolidated turnover of the listed entity during a financial year.
- The SEBI board also decided to soon issue a consultation paper to strengthen the role of self regulatory organisations (SROs).

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