

THE GAZETTE OF INDIA
EXTRAORDINARY
PART – III – SECTION 4
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SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 25th of July, 2019

SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) (SECOND AMENDMENT) REGULATIONS, 2019

SEBI/LAD-NRO/GN/2019/23.—In exercise of the powers conferred under section 30 read with clause (g) of sub-section (2) of section 11 and clause (d) and clause (e) of section 12A of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, namely:—

1. These regulations may be called the Securities and Exchange Board of India (Prohibition of Insider Trading) (Second Amendment) Regulations, 2019.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, -

(1) in regulation 9A, in sub-regulation (2), in clause (a), for the word “employee” occurring after the word “designated”, the word “person” shall be substituted;

(2) in Schedule B, -

(i) in clause 4, -

a. the first paragraph shall be numbered as sub-clause (1);

- b. the second and third paragraph shall be combined and numbered as sub-clause (2);
- c. in the sub-clause (2), for the word “can” appearing after the words “restriction period”, the word “shall” shall be substituted;
- d. after the sub-clause (2), the following sub-clause (3) shall be inserted, namely, -

“(3) The trading window restrictions mentioned in sub-clause (1) shall not apply in respect of –

(a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by the Board;

(b) transactions which are undertaken in accordance with respective regulations made by the Board such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer .”

(ii) in clause 14, -

a. in the Explanation thereto, -

i. after the word “gift” and before the word “during”, the words “from a designated person”, shall be inserted;

ii. for the words and symbol “of such payer’s annual income” the words and symbol “of the annual income of such designated person,” shall be substituted.

(3) in Schedule C, in clause 12, -

(i) in the second paragraph, the word “educations” shall be substituted by the words “educational”;

(ii) for the word “studied”, the word ”graduated” shall be substituted;

- (iii) in the Explanation thereto, -
- i. after the word “gift” and before the word “during”, the words “from a designated person”, shall be inserted;
 - ii. for the words and symbol “of such payer’s annual income” the words and symbol “of the annual income of such designated person,” shall be substituted.

Sd/-

AJAY TYAGI

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Footnotes:

1. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 was published in the Gazette of India on January 15, 2015, vide notification No. LAD-NRO/GN/2014-15/21/85.
2. The principal regulations was subsequently amended on –
 - a. December 31, 2018 by the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, vide notification no. EBI/LAD-NRO/GN/2018/59, and
 - b. January 21, 2019 by the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2019, vide notification no. SEBI/LAD-NRO/GN/2019/02.
