



**Sanjay Grover &  
Associates**  
Company Secretaries

## SEBI (PIT) Regulations, 2020 Amendment

**Securities Exchange Board of India (SEBI) has amended SEBI (Prohibition of Insider Trading) Regulations, 2015 vide notification dated 17.07.2020, changes are as follows:**

<b>SEBI(PIT) Regulations, 2015</b>	<b>SEBI(PIT) Regulations, 2020</b>
<p><b><u>Regulation 3(5)</u></b> The board of directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.</p>	<p><b><u>Regulation 3(5)</u></b> The board of directors or <b><u>head(s) of the organisation of every person required to</u></b> handle unpublished price sensitive information shall ensure that a structured digital database is maintained containing the <b><u>nature of unpublished price sensitive information</u></b> and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.</p>
<p>New sub regulation</p>	<p><b><u>Regulation 3(6)</u></b> The board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that the structured</p>

	digital database is preserved for a period of not less than <b>eight years</b> after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.
New Sub clause	In regulation 7, in sub-regulation 2, after clause (b), the following shall be inserted, namely, – “(c) The above disclosures shall be made in such form and such manner as may be specified by the Board from time to time.”
<b>Schedule B clause 4, sub-clause 3 (b)</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.	<b>Schedule B clause 4, sub-clause 3 (b)</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 or <b><u>transactions which are undertaken through such other mechanism as may be specified by the Board from time to time.</u></b>
<b><u>Schedule B Clause 12</u></b> Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, clawback etc., that may be imposed, by the listed company required to formulate a code of conduct under sub-regulation (1) of regulation 9, for the contravention of the code of conduct.	<b><u>Schedule B Clause 12</u></b> Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, etc., that may be imposed, by the listed company required to formulate a code of conduct under sub-regulation (1) of regulation 9, for the contravention of the code of conduct. <b><u>Any amount collected under this clause shall be remitted to the Board for credit to the Investor Protection and Education Fund administered by the Board under the SEBI Act.</u></b>

<p><b>Schedule B Clause 13</b> The code of conduct shall specify that in case it is observed by the listed company required to formulate a code of conduct under sub-regulation (1) of regulation 9, that there has been a violation of these regulations, it shall <b>inform the Board (SEBI) promptly.</b></p>	<p><b>Schedule B Clause 13</b> The code of conduct shall specify that in case it is observed by the listed company required to formulate a code of conduct under sub-regulation (1) of regulation 9, that there has been a violation of these regulations, it shall <b><u>promptly inform the stock exchange(s) where the concerned securities are traded, in such form and such manner as may be specified by the Board from time to time</u></b></p>
<p><b>Schedule C Clause 10</b> Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, clawback etc., that may be imposed, by the intermediary or fiduciary required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, for the contravention of the code of conduct.</p>	<p><b>Schedule C Clause 10</b> Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, etc., that may be imposed, by the intermediary or fiduciary required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, for the contravention of the code of conduct. <b><u>Any amount collected under this clause shall be remitted to the Board for credit to the Investor Protection and Education Fund administered by the Board under the SEBI Act."</u></b></p>
<p><b>Schedule C clause 11</b> The code of conduct shall specify that in case it is observed by the intermediary or fiduciary required to formulate a code of conduct under sub-regulation (1) or sub-regulation (2) of regulation 9, respectively, that there has been a violation of these regulations, such intermediary or fiduciary shall <b>inform the Board (SEBI) promptly.</b></p>	<p><b>Schedule C clause 11</b> The code of conduct shall specify that in case it is observed by the intermediary or fiduciary required to formulate a code of conduct under sub-regulation (1) or sub-regulation (2) of regulation 9, respectively, that there has been a violation of these regulations, such intermediary or fiduciary shall <b><u>promptly inform the stock exchange(s) where the concerned securities are traded, in such form and such manner as may be specified by the Board from time to time.</u></b></p>