**CDSL/OPS/RTA/POLCY/2020/103** **September 14, 2020**

# SEBI CIRCULAR

# AUTOMATION OF CONTINUAL DISCLOSURES UNDER REGULATION 7(2) OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015 - SYSTEM DRIVEN DISCLOSURES

Issuers/RTAs are advised to refer to SEBI Circular no. SEBI/HO/ISD/ISD/CIR/P/2020/168 dated September 09, 2020 regarding **Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - System driven disclosures [refer Annexure A].**

As per the said circular, SEBI has implemented the System Driven Disclosures for member(s) of promoter group and designated person(s) in addition to the promoter(s) and director(s) of company under Regulation 7(2) of PIT Regulations. The SEBI circular supersedes the earlier circulars dated December 01, 2015, December 21, 2016 and May 28, 2018 issued by SEBI with respect to implementation of System Driven Disclosures under PIT Regulations.

In terms of SEBI Circular No. SEBI/HO/CFD/DCR1/CIR/P/2018/85 dated May 28, 2018, listed companies were required to provide to the depositories the information including PAN of the directors and employees (CEO and upto two levels below CEO). Accordingly, listed companies had provided the aforesaid information to CDSL.

SEBI has now vide its circular dated September 9, 2020 specified that for the purpose of disclosures under Regulation 7(2) of PIT Regulations, listed companies are required to additionally provide information including PAN of Promoters, members of the promoter group, and designated persons as per PIT Regulations to the designated depository.

In view of the above, listed companies shall provide the details of PAN of their Promoter / Promoter Group members, Directors and Designated persons as per PIT Regulations to their Designated Depository.. For PAN exempt entities Demat Account Number needs to be provided. The details are to be provided as per the attached format **(refer Annexure B** through upload facility available in their issuer login**).** For sample file please refer to **Annexure C.**

In case of any subsequent update in the details of the entities, the listed company shall update the information with the designated depository on the same day.

Issuers/RTAs are further advised to note that the live release date of system to upload the details will be informed to you separately.

Issuers/RTAs are directed to take note of the same and ensure compliance.

Queries regarding this communiqué may be addressed to **CDSL – Helpdesk:** on telephone numbers (022) 2305-8624, 2305-8639, 2305-8642, 2305-8663, 2305-8640, 2300-2041 or 2300-2033. Emails may be sent to: helpdesk@cdslindia.com.

**sd/-**

**Ashish Bhatt**
**Vice President - Operations**

**CIRCULAR**

**SEBI/HO/ISD/ISD/CIR/P/2020/168** **September 09, 2020**

**To**

**All Listed Companies**

**All Depositories**

**All Nationwide Stock Exchanges**

Dear Sir/Madam,

**Sub: Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - System driven disclosures.**

1. Vide Gazette Notification No. SEBI/LAD-NRO/GN/2020/23 dated July 17, 2020, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 *(**PIT Regulations**)* have been further amended.

2. SEBI, vide circular no. CIR/CFD/DCR/17/2015 dated December 01, 2015, CFD/DCR/CIR/2016/139 dated December 21, 2016 and SEBI/HO/CFD/DCR1/CIR/P/2018/85 dated May 28, 2018, implemented the system driven disclosures in phases, under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and PIT Regulations.

3. Pursuant to the aforesaid amendment of PIT Regulations and discussions held with the Stock Exchanges and Depositories, it has now been decided to implement the system driven disclosures for member(s) of promoter group and designated person(s) in addition to the promoter(s) and director(s) of company (hereinafter collectively referred to as ***entities****)* under Regulation 7(2) of PIT Regulations.

4. To begin with, the system driven disclosures shall pertain to trading in equity shares and equity derivative instruments i.e. Futures and Options of the listed company (wherever applicable) by the entities.

5. The procedure for implementation of the system driven disclosures is provided at **Annexure-A**.

6. The Depositories and Stock Exchanges shall make necessary arrangements such that the disclosures pertaining to PIT Regulations are disseminated on the websites of respective stock exchanges with effect from **October 01, 2020**.

7. The system would continue to run parallel with the existing system i.e. entities shall continue to independently comply with the disclosure obligations under PIT Regulations as applicable to them till **March 31, 2021**.

8. As currently done, the disclosures generated through the system shall be displayed separately from the regular disclosures filed with the exchanges.

9. This circular supersedes the earlier circulars dated December 01, 2015, December 21, 2016 and May 28, 2018 with respect to implementation of System driven disclosures under PIT Regulations.

10. Stock Exchanges are advised to bring the provisions of this circular to the notice of all listed companies and also disseminate the same on their websites.

11. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with regulations 4(3) and 11 of the PIT Regulations and to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

12. A copy of this circular is available on SEBI website at www.sebi.gov.in under the categories "Legal→Circulars".

Yours faithfully,

**N Sunil**
**Deputy General Manager**
**+91-22-26449317**
**nsunil@sebi.gov.in**

**Encl: as above**

**ANNEXURE – A**

**Steps/process required to be taken for implementation**:

1. The various formats and timelines for sharing of data shall be standardized, as agreed upon by the depositories and exchanges.

2. Listed company shall provide the information including PAN number of Promoter(s) including member(s) of the promoter group, designated person(s) and director(s) (hereinafter collectively referred to as ***entities***) as per PIT Regulations to the designated depository (selected in terms of SEBI circular ref. no. SEBI/HO/CFD/DCR1/CIR/P/2018/85 dated May 28, 2018) in the format and manner prescribed by the Depositories. For PAN exempt entities, the Investor's Demat account number(s) shall be specified by the listed company. The information shall be provided within 10 days from the date of this circular.

3. The designated depository shall share the information received from the listed company with other depository.

4. In case of any subsequent update in the details of the entities, the listed company shall update the information with the designated depository on the same day. The designated depository shall share the incremental changes with the other depository on the day of receipt from the listed company.

5. Based on the PAN of First holder/Demat account number(s), the depositories shall tag such Demat accounts in their depository systems at ISIN level.

6. The designated depository shall also share with the stock exchanges, company-wise details of entities. In case of PAN exempt entity, respective depository shall share the Demat account number(s) details with the stock exchanges. Any update (additions or deletions) in this information by listed company shall be updated by the designated depositories with the stock exchanges on a daily basis. The information shall be shared via system interface established between the depositories and stock exchanges.

7. The depositories shall provide the following data pertaining to the tagged Demat account(s) separately to the stock exchanges on daily basis:

    - Details of transactions for pledge/revocation/invocation of shares and other encumbrances such as NDU etc. of the entities.
    - Details of off market transactions of the entities.
    - Details of transmission of shares of the entities.
    - Details of corporate actions such as ESOPs, Bonus, Rights, etc. of the entities
    - Additionally, details of market transfers in case of PAN Exempt entities.

8. Based on the PAN information provided by the depositories, on daily basis, stock exchanges will identify the transactions carried out on their trading system by the entities in the equities and equity derivative instruments (wherever applicable) of the listed company/permitted to trade on the stock exchange(s).

9. Such identified trades shall be shared by the stock exchange with all other stock exchanges where the company is listed on daily basis.

10. Each stock exchange shall consolidate the information of the transactions identified by them as well as received from other stock exchanges and the depositories. On consolidation of the transactions, if the disclosure is triggered under Regulation 7(2) of PIT Regulations, the stock exchanges shall disseminate the same on their websites. The transaction(s) carried out on T day shall be disseminated on T+2 day basis.

11. In case of any discrepancy, the issue shall be resolved by listed company, stock exchanges and depositories in coordination with one another.

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| Sr.No. | Issuer Code (4, 5, 6 & 7 characters of ISIN) | Name of the Promoter / Director / Designated Person | Category/Level (Promoter / Director / Designated Person) | Director Indentification Number (DIN) | PAN of Promoter / Director / Designated Person | BO ID (DPID + Client ID) | Depository flag for BO ID (N or C) | ADD / Delete Flag | ADD / Delete Effective Date (YYYYMMDD) |
|---|---|---|---|---|---|---|---|---|---|

**Note**

1) File Naming Convention – PITDTLS_<<Issuer Code>>_<<DATE -YYYYMMDD>>_<<3 digit running sequence number>>.xls
2) For a Promoter, CEO, Director and Designated Persons, PAN is to be provided. In case of PAN exempt entities, BO ID details should be provided.
3) Foreign Nationals who are Promoters / directors / Designated Persons in listed companies and do not have PAN or Demat Account, companies need not provide their details. As and when the Foreign Promoters / directors / Designated person obtain PAN, the company may provide the details to CDSL.
4) Effective date (YYYYMMDD) is the date on which CDSL would initiate monitoring. The column viz; Effective date should be in text format.
5) Category / Level (Promoter / Director / Designated Person) can be defined as 1) Director, 2) CEO with Directorship, 3) CEO – without Directorship, 4) Employees upto two levels below CEO, 5) Promoter, 6) Promoter Group and 7) Other Designated Person.
6) Director Identification number to be provided in case of Directors / CEO with Directorship. The column should be in text format. For Directors of co-operative Banks where DIN is not present should enter the value as D9999999.
7) In case of PAN exempt entity Issuer needs to enter the value in Depository Indicator column as C for CDSL BOID and N for NSDL BOID along with the BOID in BOID column.

| Sr.No. | Issuer Code (4, 5, 6 & 7 characters of ISIN) | Name of the Promoter / Director / Designated Person | Category/Level (Promoter / Director / Designated Person) | Director Indentification Number (DIN) | PAN of Promoter / Director / Designated Person | BO ID (DPID + Client ID) | Depository flag for BO ID (N or C) | ADD / Delete Flag | ADD / Delete Effective Date (YYYYMMDD) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 002A | Director Name | 1 | 00123456 | AAAAA1111A | | | A | 20200914 |
| 2 | 002A | Employee | 4 | | | 1304140001234567 | C | A | 20200914 |
| 3 | 002A | Promoter | 5 | | BBBBB2222B | | | A | 20200914 |