



Central Depository Services (India) Limited

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COMMUNIQUE TO REGISTRAR & TRANSFER AGENTS

CDSL/OPS/RTA/POLCY/2022/170

September 26, 2022

FRAMEWORK FOR RESTRICTING TRADING BY DESIGNATED PERSONS ("DPS") BY FREEZING PAN AT SECURITY LEVEL

Issuers / RTAs are advised to refer SEBI Circular no. **SEBI/HO/ISD/ISD-SEC-4/P/CIR/2022/107** dated **August 05, 2022**, and CDSL communique no. **CDSL/OPS/RTA/POLCY/2022/149** dated **August 08, 2022** regarding Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") – Framework for restricting trading by Designated Persons ("DPs") by freezing PAN at security level.

The operational guideline for this functionality is as given below:

1. The said functionality is slated for live release on September 23, 2022.
2. The functionality is applicable to the Companies only for equity ISINs which are / were part of NIFTY50 or SENSEX30 indices from the quarter ending September 30, 2022
3. To know whether the company is part NIFTY50 or SENSEX30 indices, issuers may contact the listing department of respective Stock exchanges.
4. Issuers part of the above indices and have appointed CDSL as their designated depository will be shown the menu "No Trading Window Period" in their issuer login on CDSL portal.
5. Issuer needs to click on menu "No Trading Window Period" → Setup
6. System display page with following details
 - Issuer ID – Pre-populated
 - ISIN – Pre-populated
 - Freeze Start Date – Date control (Issuer needs to select the freeze start date (T day) from date greater than 2 business date i.e. T-2 days)
 - Freeze End Date – Date control (Date should be always greater than Freeze Start Date i.e. T+ n... days)
 - List of Designated Persons already uploaded by the issuer for the purpose of SDD will be displayed along with pre-populated Freeze Start date and Freeze end date as entered in the date fields above.
 - Issuer to verify the data and click on Submit button to confirm the BO – ISIN level freeze for debit and credit to be applied.
7. Once the details are submitted by issuer, system will identify the sole / joint holder demat accounts of Designated persons based on the PAN entered by Issuer and freeze for debit and credit at BO – ISIN level in the respective demat account/s on Start Of Day (SOD) of freeze start date.



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8. The Demat accounts where first holder PAN is of non-designated person but the joint holder PAN is of the designated person, still the specific ISIN in identified demat account will be frozen at BO-ISIN level for both i.e. debit and credit.
 9. The freeze reason code no. "25" and reason description "Trading Window Closure Period" will be used for this BO-ISIN level freeze in CDSL depository systems.
 10. During the freeze period no debit or credit will be allowed in demat account of the designated persons for the specified ISIN as stated in point nos. 7 & 8 above.
 11. Issuers need to inform their designated persons / joint holders accordingly.
 12. Any trades done prior to "No trading window period" should be settled by way of giving early payin instruction in favor of their CM on the trade date i.e. T day itself.
 13. Any exemptions provided to designated persons by issuer during the "No Trading Window Period" needs to be entered in the Issuer login minimum 2 days (T-2 days) prior to the exemption start date along with the reason for providing exemption.
 14. Demat accounts of designated persons who are provided with exemptions will be unfrozen on SOD of exemption start date and will be again frozen on the EOD of exemption end date. The settlement process as mentioned in point no. 11 need to be followed.
 15. In case of any exemptions provided to be allowed to designated person during trading window closure period, the Designated Person / BOs & issuer need to provide declaration as per attached Annexure – A.
 16. Designated persons need to give early / normal pay-in instruction on the trade date itself, in order to settle the trade obligation and avoid the shares being auctioned.

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

Queries regarding this communiqué may be sent to CDSL – Helpdesk through e-mail on helpdesk@cdslindia.com or call us on 08069144800.

sd/-

Nilesh Shah
Asst. Vice President – Operations



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Annexure - A (Declaration to be provided by Designated Person / BO and Compliance Officer of issuer / company and e-mail to sdd@cdslindia.com)

Dear Sir / Madam,

Designated depository

I / we request designated depository to allow exemption from the trading window closure period to the designated person (DP) as per details given below.

Issue r ID	Issue r Nam e	ISI N	PAN of Designate d Person	Name of Designate d Person	B O ID	Exemptio n start date*	Exemptio n end date**	Reason for exemptio n

I / we hereby declare that I have been exempted from the Trading Window closure period as per details mentioned above.

Signature of Beneficial Owner/s (BOs) :

Name of BOs :

Designation of BO :

Mobile no. of BO :

E-mail ID Of BO :

We confirm that the designated person is exempted from the Trading Window closure period as per details provided in above table.

Signature of Compliance Officer (CO)/Company Secretary (CS) :

Name of CO / CS :

Designation of CO /CS :

Mobile no. of CO /CS :

E-mail ID Of CO /CS :

Date :

* Trading window closure exemption start date should be atleast 2 days after from the date of submission.

** Trading window closure exemption end date should be after 2 days from the last exempted trade date on exchange/s.