



Central Depository Services (India) Limited

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COMMUNIQUE TO REGISTRAR & TRANSFER AGENTS

CDSL/OPS/RTA/POLCY/2024/191

October 23, 2024

SEBI CIR - INCLUSION OF MUTUAL FUND UNITS IN THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS

Issuers / RTAs are advised to refer to the SEBI Circular no. **SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/144** dated **October 22, 2024**, regarding **Inclusion of Mutual Fund units in the SEBI (Prohibition of Insider Trading) Regulations, 2015**. [refer Annexure]

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

Queries regarding this communiqué may be addressed to: CDSL – Helpdesk Emails may be sent to: dprtasupport@cdslindia.com and connect through our IVR Number 022-62343333 .

For and on behalf of

Central Depository Services (India) Limited

sd/-

Nilesh Shah
Asst. Vice President

CIRCULAR

SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/144

October 22, 2024

To All,

Mutual Funds (MFs)/
Asset Management Companies (AMCs)/
Trustee Companies/ Board of Trustees of Mutual Funds/
Association of Mutual Funds in India (AMFI)/
Stock Exchanges
Depositories
Registrars to an Issue and Share Transfer Agent (RTAs)

Madam/ Sir,

Sub: Inclusion of Mutual Fund units in the SEBI (Prohibition of Insider Trading) Regulations, 2015

1. In order to strengthen the regulatory framework in relation to prohibition of insider trading in units of mutual funds, vide notification dated November 24, 2022 ([link](#)), mutual funds units were included under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as 'PIT Regulations'). The amendments notified through the notification dated November 24, 2022 shall be applicable from November 01, 2024 ([link to the Gazette notification](#)).
2. In order to streamline the implementation of the above-mentioned amendments, a working group consisting of representatives from AMCs, AMFI, Stock Exchanges, RTAs and Depositories was constituted which provided its recommendations on implementation of the abovementioned amendments. After considering the recommendations of the working group, the following has been decided:
 - 2.1. In terms of Regulation 5(E)(1) of PIT Regulations, AMCs shall disclose the details of the holdings of Designated Persons of AMCs, trustees and their immediate relatives on aggregate basis from November 1, 2024 on quarterly basis. The holdings as on October 31, 2024 shall be disclosed on the platform of the Stock Exchanges by November 15, 2024. Thereafter, for all subsequent calendar quarters AMCs shall provide the information within 10 calendar days from the end of the quarter. Further, the holdings shall be disclosed in the format specified at **Annexure A**.

- 2.2. In terms of Regulation 5(E)(2) of PIT Regulations, details of all the transactions in the units of its own mutual funds, above the threshold amount which aggregates to a value in excess of INR 15 Lakhs, in one transaction or a series of transactions over any calendar quarter, per PAN across all schemes excluding the exempted schemes, executed by the Designated Persons of asset management company, trustees and their immediate relatives shall be reported by the concerned person to the Compliance Officer of AMC within two business days from the date of transaction.
- 2.3. In terms of Regulation 5(E)(3) and 5(E)(4) of PIT Regulations, the transactions reported under Regulation 5(E)(2) of PIT Regulations shall be disclosed in the format specified at **Annexure B**.
- 2.4. In terms of Clause 12 of Schedule B1 and Clause 11A of Schedule C of PIT Regulations, the observed violations of PIT Regulations shall be disclosed in the format specified at **Annexure C**.
3. Further, in order to harmonize the framework of investment/trading restriction in securities by employees of the AMCs and Trustees prescribed under Clause 6.6 of Master Circular for Mutual Funds dated June 27, 2024 ('Master Circular') with the amended PIT Regulations, the Clause 6.6 of Master Circular is modified as under:
- 3.1. Clause 6.6 of the Master Circular shall not be applicable for investments and redemption of mutual fund units. For mutual funds units, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, shall be followed strictly by the Trustees, Asset Management Companies and their employees and directors.
- 3.2. Clause 6.6.2.1 (a) of the Master Circular stands modified as under:
- "These Guidelines cover transactions for purchase or sale of any securities such as shares, debentures, bonds, warrants, derivatives."*
- 3.3. The following is inserted as Clause 6.6.2.1 (b)(4) in the Master Circular:
- "Investments in units of schemes floated by mutual funds /AMCs where the concerned persons (in terms of the applicability stated at 6.6.1.1.a above) are employed."*
- 3.4. Clause 6.6.2.3(f) of the Master Circular stands modified as under:

“All employees shall refrain from profiting from the purchase and sale or sale and purchase of any security within a period of 30 calendar days from the date of their personal transaction. However, in cases where it is done, the employee shall provide a suitable explanation to the Compliance Officer, which shall be reported to the Board of the AMC and the Trustees at the time of review.”

- 3.5. Clause 6.6.4 of the Master Circular stands deleted.
4. The Circular shall be applicable from November 1, 2024.
5. 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 Regulation 5(E), 5(F)(1) and 5(F)(2) of PIT Regulations, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
6. This circular is available at www.sebi.gov.in under the link “Legal ->Circulars”.

Yours faithfully,

Peter Mardi
Deputy General Manager
+91-22-26449233
peterm@sebi.gov.in

Annexure – A

Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 5E (1)]

Details of holdings in the units of its mutual fund schemes held by the Designated Persons of AMC, Trustees and their immediate relatives as on <Last day of the Quarter>					
Name of the Mutual Fund	Name of the Scheme	Scheme Code [ISIN]	Units held by Designated Persons*	Value (INR)	Date of reporting to Exchange

*Designated Persons of AMC/ trustees/ immediate relatives of Designated Persons of AMC/Trustee Company

Annexure B

Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 5E (2)]

Details of all the transactions in the units of its own mutual funds by Designated Persons of asset management company, trustees and their immediate relatives, above the threshold prescribed by SEBI

Date of Transaction	Name of the Mutual Fund	Name of the Scheme	Scheme code [ISIN]	PAN of the Designated Person	Name of Designated Person	Name of Investor	Category of Investor*	Opening Balance	No. of Units (Purchase/Sale/Redemption)	Value (INR)	Closing Balance	Transaction Type (Purchase/Redemption)	Date of reporting to Exchange

*Designated Person of AMC/ trustees/ immediate relative of Designated Person of AMC/Trustee Company

Annexure C

Report by (Name of the asset management company/Intermediary/Fiduciary) for violations related to Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015.

[For asset management companies: Schedule B1 read with Regulation 5F(1) of SEBI(Prohibition of Insider Trading) Regulations, 2015

For Intermediaries/ Fiduciaries: Schedule C read with Regulation 5F(2) of SEBI(Prohibition of Insider Trading) Regulations, 2015]

Sr. No.	Particulars	Details
1	Name of the asset management company/ Intermediary/Fiduciary	
2	<i>Please tick appropriate checkbox</i> Reporting in capacity of : ☐ Asset Management Company ☐ Intermediary ☐ Fiduciary	
3	A. Details of Designated Person (DP)	
	i. Name of the DP	
	ii. PAN of the DP	
	iii. Designation of DP	
	iv. Functional Role of DP	
	v. Whether DP is Promoter/Sponsor/Trustee or belongs to Promoter/Sponsor/Trustee Group	
	B. If Reporting is for immediate relative of DP	
	i. Name of the immediate relative of DP	
	ii. PAN of the immediate relative of DP	
	C. Details of transaction(s)	
	i. Name of the scrip/scheme	
	ii. No of shares/units traded and value (Rs.) (Date- wise)	
	D. In case value of trade(s) is more than Rs.15 lacs in a calendar quarter	
	i. Date of intimation of trade(s) by concerned DP of AMC, trustee and their immediate relatives under regulation 5(E)(2) of SEBI (PIT) Regulations, 2015	
	ii. Date of intimation of trade(s) by asset management company to stock exchanges under regulation 5(E)(3) of SEBI (PIT) Regulations, 2015	
4	Details of violations observed under Code of Conduct	

5	Action taken by asset management company/ Intermediary/ Fiduciary																							
6	Reasons recorded in writing for taking action stated above																							
7	Details of the previous instances of violations, if any, since																							
8	If any amount collected for Code of Conduct violation(s) i. Mode of transfer to SEBI - IPEF (Online/Demand Draft) ii. Details of transfer/payment In case of Online: <table border="1"> <thead> <tr> <th>Particulars Details</th> <th>Particulars Details</th> </tr> </thead> <tbody> <tr> <td>Name of the transferor</td> <td></td> </tr> <tr> <td>Bank Name, branch and</td> <td></td> </tr> <tr> <td>Account number</td> <td></td> </tr> <tr> <td>UTR/Transaction reference</td> <td></td> </tr> <tr> <td>Number</td> <td></td> </tr> </tbody> </table> In case of Demand Draft (DD): <table border="1"> <thead> <tr> <th>Particulars Details</th> <th>Particulars Details</th> </tr> </thead> <tbody> <tr> <td>Bank Name and branch</td> <td></td> </tr> <tr> <td>DD Number</td> <td></td> </tr> <tr> <td>DD date</td> <td></td> </tr> <tr> <td>DD amount (in Rs.)</td> <td></td> </tr> </tbody> </table>		Particulars Details	Particulars Details	Name of the transferor		Bank Name, branch and		Account number		UTR/Transaction reference		Number		Particulars Details	Particulars Details	Bank Name and branch		DD Number		DD date		DD amount (in Rs.)	
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DD date																								
DD amount (in Rs.)																								
9	Any other relevant information																							

Yours faithfully,

Date and Place

Name and Signature of Compliance Officer

PAN:

Email ID: