

**THE GAZETTE OF INDIA
EXTRAORDINARY
PART –III– SECTION 4
PUBLISHED BY AUTHORITY
New Delhi, the 19th November, 2008
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 19th November, 2008**

**SECURITIES AND EXCHANGE BOARD OF INDIA
(PROHIBITION OF INSIDER TRADING) (AMENDMENT) REGULATIONS,
2008**

No. LAD-NRO/GN/2008/29/44801. -In exercise of the powers conferred by section 30 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, 1992, namely :-

1. These regulations may be called the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2008.
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, 1992–
 - (i) in regulation 2,
 - (a) for clause (e), the following clause shall be substituted, namely:-

“(e) “insider” means any person who,
 - (i) is or was connected with the company or is deemed to have been connected with the company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company, or
 - (ii) has received or has had access to such unpublished price sensitive information.”
 - (b) after clause (k), the following clause shall be inserted, namely:-

“(l) “working day” shall mean the working day when the regular trading is permitted on the concerned stock exchange where securities of the company are listed.”
 - (ii) in regulation 3,
 - (a) in clause (ii), after the word “communicate” and before the word “counsel”, the word “or” shall be inserted;
 - (iii) in regulation 12, in sub-regulation (1), after the words “shall frame a code of internal procedures and conduct as near thereto the Model Code specified in Schedule I of these Regulations”, the words “without

diluting it in any manner and ensure compliance of the same” shall be inserted;

(iv) in regulation 13-

(a) In sub-regulation (1), for the figure and words “4 working days” the figure and words “2 working days” shall be substituted;

(b) for sub-regulation (2), the following sub-regulation shall be substituted, namely:-

“(2) Any person who is a director or officer of a listed company shall disclose to the company in Form B the number of shares or voting rights held and positions taken in derivatives by such person and his dependents (as defined by the company), within two working days of becoming a director or officer of the company.”

(c) for sub-regulation (4), the following shall be substituted, namely:-

“(4) Any person who is a director or officer of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents (as defined by the company) from the last disclosure made under sub-regulation (2) or under this sub-regulation, and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.”

(d) In sub-regulation (5), the number “4” shall be substituted with the word “two”;

(e) in sub-regulation (6), for the words “within five days” the words “within two working days” shall be substituted;

(f) after sub-regulation (6), the following sub-regulation shall be inserted, namely:-

“E-filing.

(7) The disclosures required under this regulation may also be made through electronic filing in accordance with the system devised by the stock exchange.”

(v) for regulation 14, the following shall be substituted, namely:-

“Action in case of default.

14. Without prejudice to the directions under regulation 11, if any person violates provisions of these regulations, he shall be liable for appropriate action under Sections 11, 11B, 11D, Chapter VIA and Section 24 of the Act.”

(vi) in regulation 15, in the marginal note, the words “Appeal to the Central Government” shall be substituted with the words “Appeal to the Securities Appellate Tribunal” ;

(vii) in Schedule I, in Part A ,

(1) in clause 3.3.1, the words “and their dependents (as defined by the company)” shall be inserted after the words “designated employees of the company” and before the words “who intend to deal”;

(2) in clause 4.1, the words “and their dependents (as defined by the company)” shall be inserted after the words “designated employees” and before the words “shall execute their order”;

(3) for clause 4.2, the following shall be substituted, namely:-
 “4.2 All directors/ officers/ designated employees who buy or sell any number of shares of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All directors/ officers/ designated employees shall also not take positions in derivative transactions in the shares of the company at any time.

In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.”

(viii) for Schedule III, the following schedule shall be substituted, namely:-

“ *SCHEDULE III*

FORMS

FORM A

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

[Regulation 13(1) and (6)]

Regulation 13(1) - Details of acquisition of 5% or more shares in a listed company

<i>Name, PAN No. & address of shareholder with telephone number</i>	<i>Shareholding prior to acquisition</i>	<i>No. and percentage of shares/ voting rights acquired</i>	<i>Date of receipt of allotment/ advice. Date of acquisition (specify)</i>	<i>Date of intimation to Company</i>	<i>Mode of acquisition (market purchase/ public/rights/ preferential offer etc.)</i>	<i>Shareholding subsequent to acquisition</i>	<i>Trading member through whom the trade was executed with SEBI Registration No. of</i>	<i>Exchange on which the trade was executed</i>	<i>Buy quantity</i>	<i>Buy value</i>

							<i>the TM</i>				

Form B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

[Regulation 13(2) and (6)]

Regulation 13(2)—Details of shares held or positions taken in derivatives by Director or Officer of a listed company and his dependents

<i>Name, PAN No. & Address of Director/ Officer</i>	<i>Date of assuming office of Director/ Officer</i>	<i>No. & % of shares/voting rights held at the time of becoming Director/ Officer</i>	<i>Date of intimation to company</i>	<i>Mode of acquisition (market purchase/ public/ rights/ preferential offer etc.)</i>	<i>Trading member through whom the trade was executed with SEBI Registration No. of the TM</i>	<i>Exchange on which the trade was executed</i>	<i>Buy quantity</i>	<i>Buy value</i>

Note: The above table shall be applicable with suitable modifications to disclosures for position taken in derivatives also.

FORM C

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

[Regulation 13(3) and (6)]

Regulation 13(3) — Details of change in shareholding in respect of persons holding more than 5% shares in a listed company

<i>Name, PAN No. & address of shareholders</i>	<i>Share-holding prior to acquisition/ sale</i>	<i>No. & % of shares/ voting rights acquired/ sold</i>	<i>Receipt of allotment advice/ acquisition of shares/ sale of shares specify</i>	<i>Date of intimation to company</i>	<i>Mode of acquisition (market purchase/ public/ rights/ preferential offer etc.)</i>	<i>No. & % of shares/ voting rights post-acquisition/ sale</i>	<i>Trading member through whom the trade was executed with SEBI Registration No. of the TM</i>	<i>Exchange on which the trade was executed</i>	<i>Buy quantity</i>	<i>Buy value</i>	<i>Sell quantity</i>	<i>Sell value</i>

- a. on 28th March, 2000 by the Securities and Exchange Board of India (Appeal to Securities Appellate Tribunal) (Amendment) Regulations, 2000 vide S.O. No. 278 (E).
- b. on 20th February, 2002 by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2002 vide SO.221/(E).
- c. on 29th November, 2002 by the SEBI (Prohibition of Insider Trading) (Second Amendment) Regulations, 2002 vide SO. 1245 (E).
- d. on 11th July, 2003 by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2003 vide S.O. 796(E).