



APAC & ASSOCIATES LLP
Company Secretaries

ONE CONCEPT ONE SLIDE

Web Series – Feb. 2020/22

Topic: Insider Trading

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INSIDER TRADING REGULATIONS

(Including amendments vide notification dated September 17, 2019)

February 29, 2020



Insider

- Connected Person
- In possession of Unpublished Price Sensitive Information (UPSI) Eg. Auditors etc.
- Onus of proof of possession – person leveling the charge after which the person trading may demonstrate that he is not in possession/ not traded/ could not access etc.



Connected Person

- associated with the Company during 6 months prior to the concerned act
- Certain categories deemed to be connected, unless contrary established – immediate relative, holding/ subsidiary/ associate, intermediary, Board member or employee of public financial institution, banker of co. etc.



UPSI

- Not generally available &
- Materially affect the price of securities, when made available including the Financial results, dividend, change in capital structure, merger, demerger, changes in KMP.



Immediate Relative

- Spouse, parent, sibling, and child of such person or of the spouse
- Financially dependent, consultation in decisions related to trading



Promoter

- As per SEBI (ICDR) Regulations i.e.
- Identified in draft offer document or annual return OR
- Control over affairs as director/ shareholder/ otherwise OR
- Board accustomed to act (not professional capacity)

Promoter Group

- Promoter/its immediate relative
- When promoter is Body corporate (BC)
 - Its Holding/subsidiary
 - BC – promoter holds $\geq 20\%$ directly &/or vice versa
 - BC- promoter holds $\geq 20\%$ with PAC & vice versa
- When Promoter is Individual
 - BC– promoter or relatives or their HUF or Firm holds $\geq 20\%$
 - BC- Abovesaid holds $\geq 20\%$
 - HUF/ Firm – promoter + relative holds $\geq 20\%$
- Persons shareholding aggregated in promoter grp

For Insider Trading

- INR 10 Lakhs-25 crore OR 3 times of the profits (whichever is higher)

For failure to furnish or incorrect/incomplete information, return etc.

- INR 1 Lakh to 1 Lakh each day subject to max. INR 1 Crore

For failure to maintain books of accounts or records

- INR 1 Lakh to 1 Lakh each day subject to max. INR 1 Crore

Code & Policies

Whistle blower policy

Policy in case of leak of UPSI

Code of conduct and administration of the same by Compliance officer

Code of Fair Disclosure and Conduct- The Code & every amendment thereto-prompt intimation to SE

Regular Compliance

Adequate & effective system of internal control & review by Audit Committee

Maintenance of Digital database

Event-based Compliance

Information shared in best interest – non-disclosure agreements, notice to maintain confidentiality, entry in digital database

Disclosure of shareholding by KMP/Director/Promoter & promoter group- within 7 days

Trading plan by Insider, approved by Compliance officer and notify the Stock Exchange

Disclosure of acquisition and disposal by Promoter/Promoter group/ designated person/ Director-within 2 trading days if value >Rs 10 Lakhs and notify the Stock Exchange

Spouse is always considered as an immediate relative irrespective of the fact whether they are financially independent and claims not to be consulting the husband or wife in taking trading decisions unless the company official is able to prove otherwise.

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OTHER VIDEOS - APAC



1. IEPF (Aug'19)



2. Board Governance (Sep'19)



3. SBO (Sep'19)



4. #startup (Sep'19)



5. Secretarial Standard – 1 (Sep'19)



6. Secretarial Standard – 2 (Sep'19)



7. Board's Report (Oct'19)



8. TReDS (Oct'19)



9. Corporate Social Responsibility (Oct'19)



10. Related Party Transactions (RPT) (Oct'19)



11. Statutory Registers (Nov'19)



12. Incorporation of Companies (Nov.' 19)



13. Secretarial Audit (Nov.'19)



14. Labour Code (Dec.'19)



15. LEI (Dec.'19)



16. Independent Directors' Proficiency Test (Dec.'19)



17. Conversion of LLP/Partnership Firm to Company (Jan.' 20)



18. Methodology-Secretarial Audit for Private Companies (Jan.' 20)



19. One Person Company (OPC) (Jan.' 20)



20. Voluntary liquidation of Company/LLP (Feb.'20)



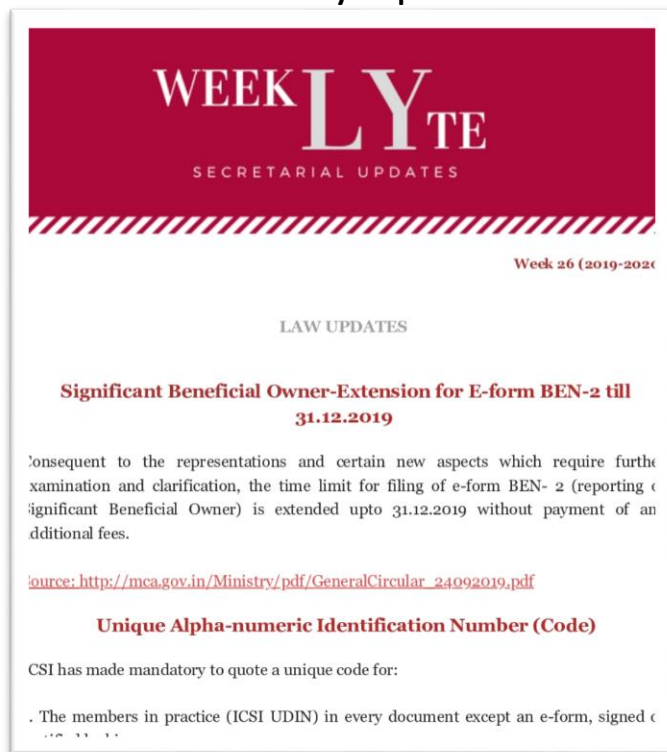
21. Single Master Form-Companies (Direct Investment) (Feb.' 20)



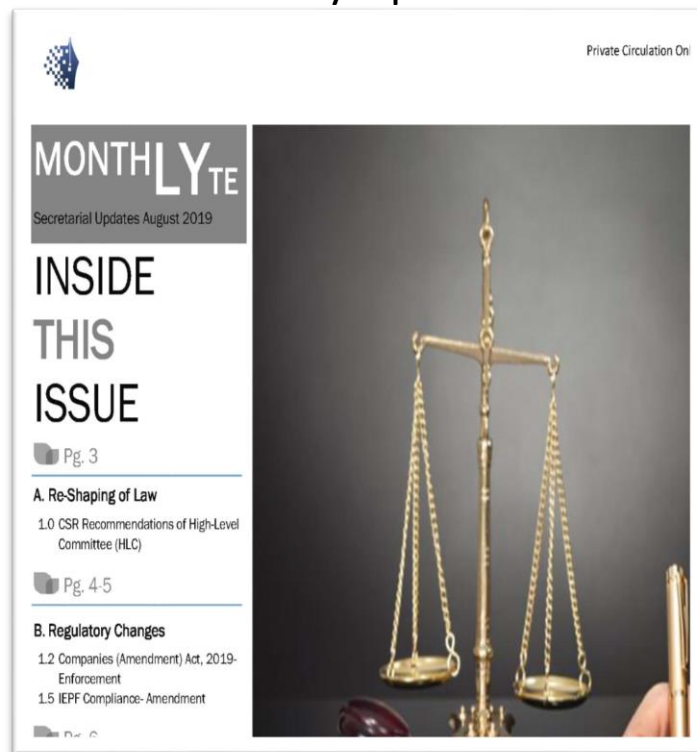
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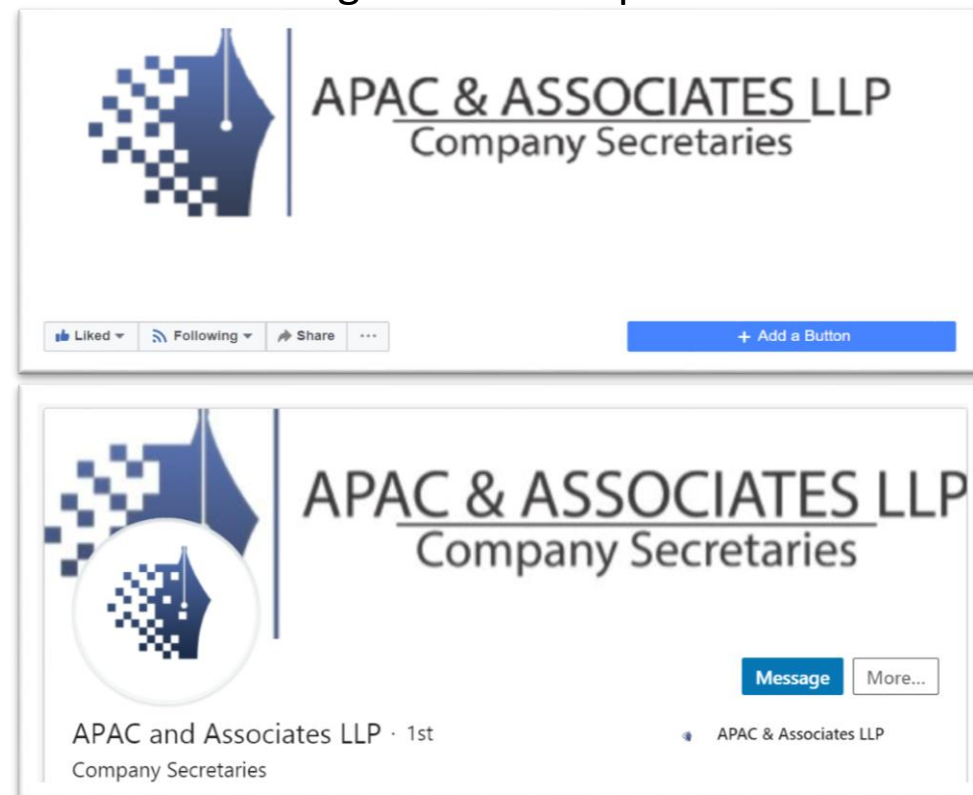
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