Requirement of structured database under Regulation 3 of SEBI (Prohibition of Insider Trading Regulations) 2015.

W.e.f. 01st April 2019 it is mandated that under Regulation 3(5) of the SEBI PIT Regulations a structured database has to be maintained by the listed entity.

As per Regulation 3 an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection **with a transaction** that would:–

(i) entail an obligation to make an open offer under the takeover regulations where the board of directors of the listed company is of informed opinion that sharing of such information] is in the best interests of the company;

(ii) not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the listed company is of informed opinion that sharing of such information is in the best interests of the company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine to be adequate and fair to cover all relevant and material facts.

The UPSI shares under above two circumstances are required to be kept recorded by maintaining a structured digital database which provides time stamping and internal controls and checks containing:

i. names of such persons or entities with whom information is shared
ii. Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available

In all other cases, except as required under regulation 3 as above, maintenance of structured digital database is not required.

Thanks and Regards:

SSAS & Associates LLP
Company Secretaries

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