

KRS AND CO.

KEY UPDATES ON SEBI (PROHIBITION OF INSIDER TRADING) AMENDMENT REGULATIONS 2025

THE SECURITIES AND EXCHANGE BOARD OF INDIA VIDE ITS NOTIFICATION DATED 11TH MARCH 2025 NOTIFIED THE PROHIBITION OF INSIDER TRADING (AMENDMENT) REGULATIONS, 2025, WHICH IS SET TO COME INTO EFFECT WITHIN A PERIOD OF 90 DAYS FROM THE DATE OF IT'S PUBLICATION IN OFFICIAL GAZETTE (i.e., **W.E.F. 9TH JUNE 2025**). THROUGH THE AMENDED REGULATIONS, SEBI HAS WIDENED THE DEFINITION AND SCOPE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI).

THE KEY UPDATES ARE ENUMERATED AS UNDER

A. EXPANDED DEFINITION OF UPSI.

In Regulation 2, Sub Regulation (1) in Clause (n) -

SEBI has broadened the scope of UPSI to include:

- Award or termination of contracts outside the normal course of business.
- Resignation of Statutory or Secretarial Auditors.
- Change in company ratings (excluding ESG ratings).
- Fundraising plans.
- Agreements affecting management or control.
- Fraud, defaults, or arrests of promoters, directors, or key managerial personnel.
- Resolution plans, insolvency proceedings, or winding-up petitions.
- Forensic audits and regulatory actions affecting the company.
- Major litigations or disputes impacting the company.
- Guarantees or indemnities given by the company outside the normal course of business.
- Suspension or cancellation of key licenses or regulatory approvals.

B. INFORMATION EMANATING FROM OUTSIDE THE ORGANIZATION.

COMPANIES MUST RECORD INSIDER TRADING-RELATED INFORMATION RECEIVED FROM EXTERNAL SOURCES IN THEIR STRUCTURED DIGITAL DATABASE WITHIN TWO CALENDAR DAYS TO ENSURE BETTER TRACKING AND COMPLIANCE.

C. TRADING WINDOW RELAXATION.

AS A PART OF THE MINIMUM STANDARDS FOR CODE OF CONDUCT FOR LISTED COMPANIES TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS, SEBI HAS RELAXED THE REQUIREMENT OF CLOSURE OF THE TRADING WINDOW FOR UPSI NOT EMANATING FROM WITHIN THE LISTED COMPANY.