



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/CFD/DCR1/CIR/P/2018/85

May 28, 2018

To

All Listed Entities

All Depositories

All Nationwide Stock Exchanges

Dear Sir/Madam,

System-driven Disclosures in Securities Market

1. SEBI, vide circular dated December 01, 2015, had introduced system-driven disclosures in securities market detailing the procedure to be adopted for its implementation with effect from January 01, 2016. The procedure was further streamlined vide SEBI circular dated December 21, 2016.
2. As specified in SEBI circular dated December 01, 2015, the system is being implemented in phases and in the first phase, the disclosures of promoter/promoter group under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "SAST Regulations") and SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "PIT Regulations") have been implemented.
3. It is now proposed to implement the next phase of the system which shall pertain to the following additional disclosures:
 - a. Disclosures under Regulation 29(1) and 29(2) of SAST Regulations by non-promoters.
 - b. Disclosures under Regulation 7(2) of PIT Regulations pertaining to directors and employees of the company.
4. The CEO and upto two levels below CEO of a company shall be deemed as employees for the purpose of system-driven disclosures in respect of Regulation 7(2) (b) of PIT Regulations.

5. For the purpose of system driven disclosure, the requirement specified under Regulation 29(4) of SAST Regulations shall not be applied to a scheduled commercial bank or public financial institution as pledgee irrespective of whether such a pledge is for securing indebtedness in the ordinary course of business or not.
6. The procedure required for implementation of the aforesaid disclosures is provided at **Annexure-A**.
7. The system would continue to run in parallel with the existing system i.e. the entities shall continue to comply with the disclosure obligations under SAST Regulations and PIT Regulations as applicable to them.
8. The Depositories and Stock Exchanges shall make necessary arrangements so that the aforesaid disclosures pertaining to SAST Regulations and PIT Regulations are disseminated on the websites of respective stock exchanges from **August 01, 2018**.
9. Other requirements of SEBI circulars dated December 01, 2015 and December 21, 2016 on the same subject will remain in force.
10. This circular is issued in exercise of powers conferred by section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
11. A copy of this circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework/Circulars".

Yours faithfully,

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ANNEXURE - A

Procedure

The following would be the steps / process required to be taken for implementation of the second phase:

SAST Regulations:

1. The various formats for sharing of data shall be standardized as agreed upon by the depositories and exchanges.
2. For the purpose of Regulation 29(4) of SAST Regulations, the depositories shall tag the scheduled commercial banks and public financial institutions in their systems for excluding them from disclosure requirements.
3. The depositories shall share data with each other, on a daily basis, pertaining to non-promoter shareholders of a company who are holding more than 2% in the company.
4. The details of shareholding of those non-promoters whose combined shareholding is more than 5% in the company shall be provided by the depositories to the stock exchanges on a daily basis.
5. The stock exchanges shall then identify the data requiring disclosure under SAST Regulations and disseminate the same on its website in accordance with the respective Regulations.
6. Any discrepancy observed by the entities must be communicated to the respective stock exchanges which may then resolve the issue in coordination with the depositories.

PIT Regulations:

1. The various formats for sharing of data shall be standardized as agreed upon by the depositories and exchanges.
2. The first step would be to build a database of the existing holdings at ISIN level of all the directors and employees of each listed company. The listed company will be required to provide to all the depositories the information about the directors and employees. The information provided by the listed company to the depositories must be authenticated and shall be provided within 15 days from the date of SEBI circular. The information provided by the listed companies to the depositories shall be in the manner prescribed by depositories and must also include the PAN of the entity. In respect of PAN exempt entities, the account numbers shall be provided.
3. Based on the PAN/account numbers, the depositories will tag such demat accounts in their depository systems at ISIN level.
4. In case of any subsequent changes in the directors/employees of the listed company, the company shall provide the information of the changes to the depositories on an immediate basis and not later than 2 working days.
5. The listed company shall select one of the depositories as a Designated Depository for the purpose of disclosure of data for that particular company. In respect of the identified directors/employees for a listed company, the Designated Depository shall aggregate its data along with the data received from the other depository for the particular company.
6. The data shall be processed by the Designated Depository and the identified data requiring disclosure in terms of PIT Regulations shall be sent to the respective stock exchanges on a daily basis for dissemination on their website.
7. Any discrepancy observed by the entities must be communicated to the respective Stock Exchanges which may then resolve the issue in coordination with the depositories.