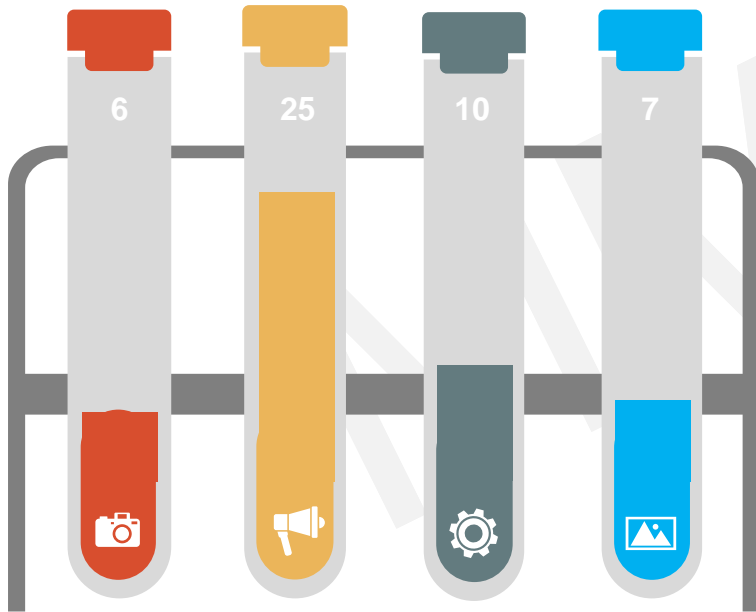


Session on SDD

Growing focus on PIT Regulations

- CS Makarand Joshi

Amendments in / Guidance on PIT Regulations



6

Guidance Note (58 Questions)

Contra Trade, ESOP, Pledge. etc.

26

Informal Guidance

Pledge. Securities Lending, Contra, etc.

11

Circulars

Automation of disclosure, formats of disclosure on violation, etc.

7

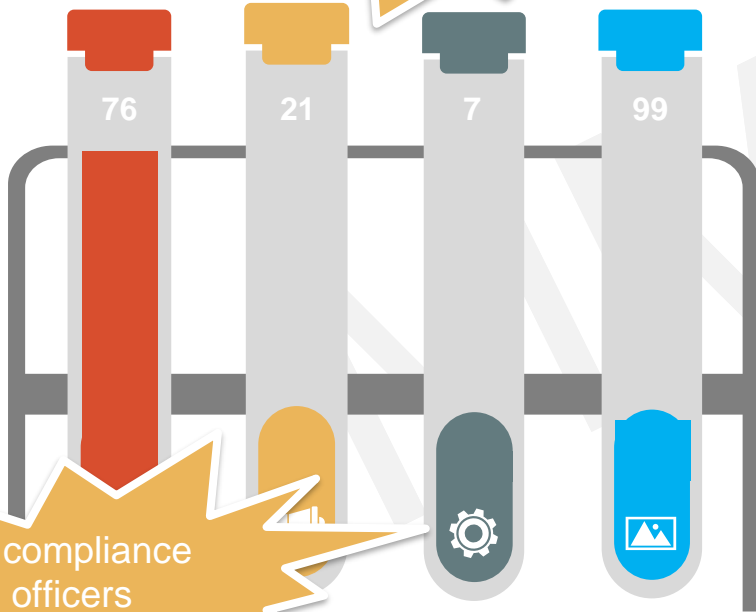
Amendments

SDD (2), Institutional Mechanism, Informant Scheme, etc.

Regulatory Trend - Enforcement

Total Penalty levied by SEBI (last 3 years) – Rs. 256 cr

PIT Orders (last 3 years) – 204 AO and 71 SO



11 compliance officers penalized

SAT reciprocal – 6 ruled in favour and 8 ruled against.

77

Insider Trading

Spicejet, Aurobindo pharma, Atul Sarogi (JM Financial), Divis labs, United spirits, Bank of Rajasthan

21

Disclosure

Leak of UPSI - Ambit capital, Yes bank Mannapuram finance

7

Trading Window Closure

Aurobindo, Aptech, Bliss GV Pharma, Kanoria Chemicals, Future Retail, India Bulls Ventures and Edelweiss

99

Code of Conduct

Trading not disclosed. contra trade etc.

314 persons have been held liable out of which more than 101 persons are debarred

SDD - Structured Digital Database

Sharing of UPSI

MMJC



Introduction of SDD - Reg 3(5)



1. Reg 3(5) : - Internally
- Sharing info who / to whom
- Nature of UPSI
2. Insertion of Reg 3(6)



Exchange Compliance certificate

2015

2018

2019

2020

2021

2022

- Reg 3(2) / (3) - When UPSI can be shared



FAQ - SDD Applicability to intermediaries & fiduciaries

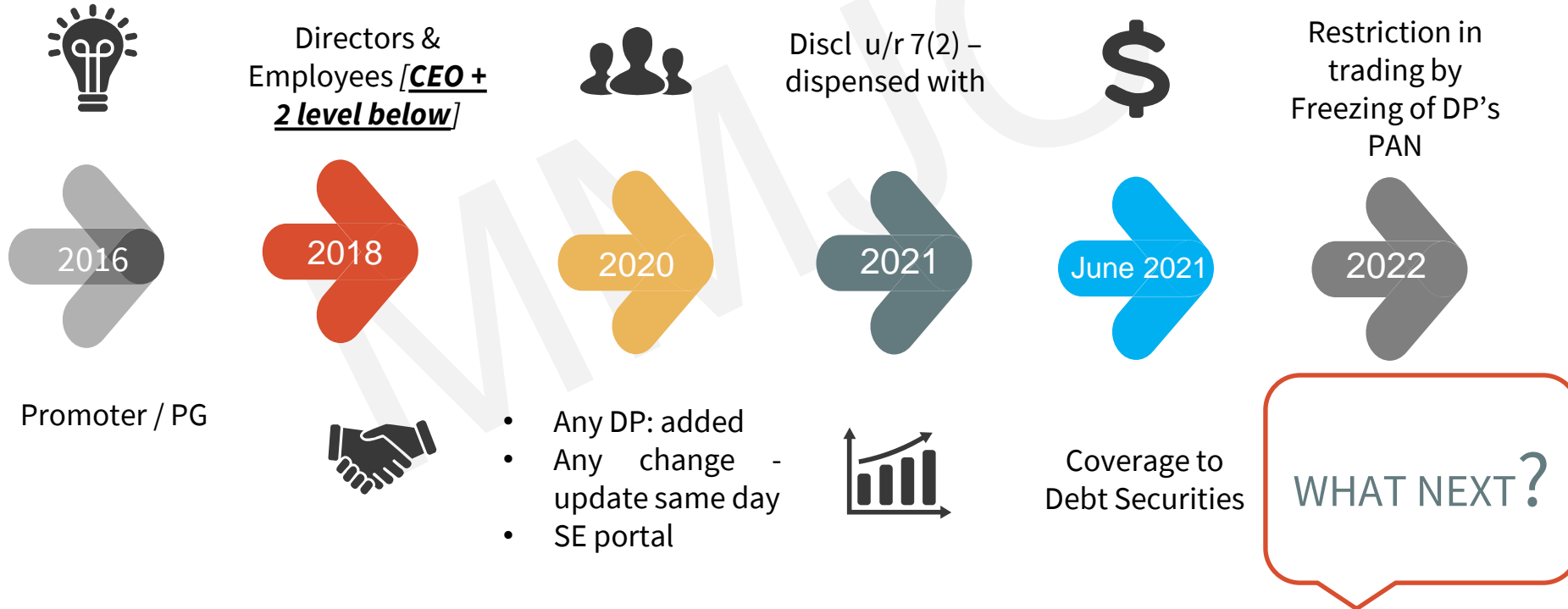


FAQ - Cloud server not permitted for SDD

WHAT NEXT?

SDD - System Driven Disclosure - Tracking of Trades

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Exclusions & Extra Inclusions vis-à-vis SDD

Exclusions



IR



MFR



DP taking Trading
Decisions



Fiduciary /
Intermediaries

Inclusions

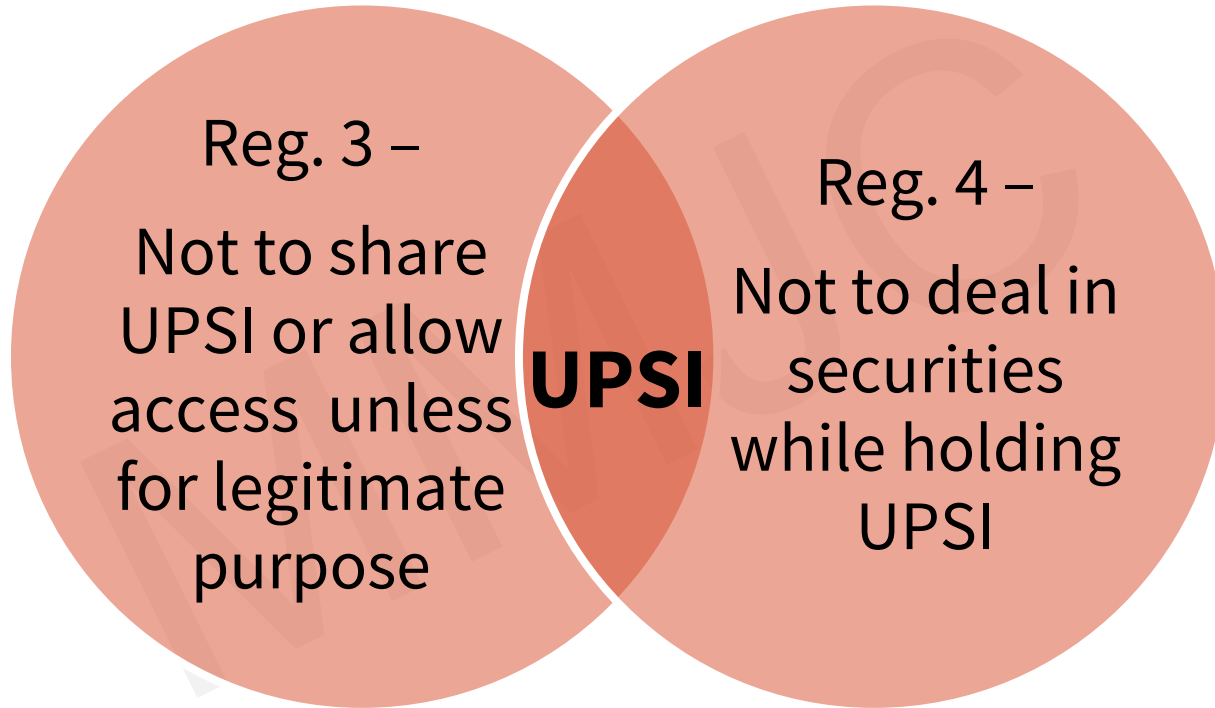


PG not having
access to UPSI



About UPSI

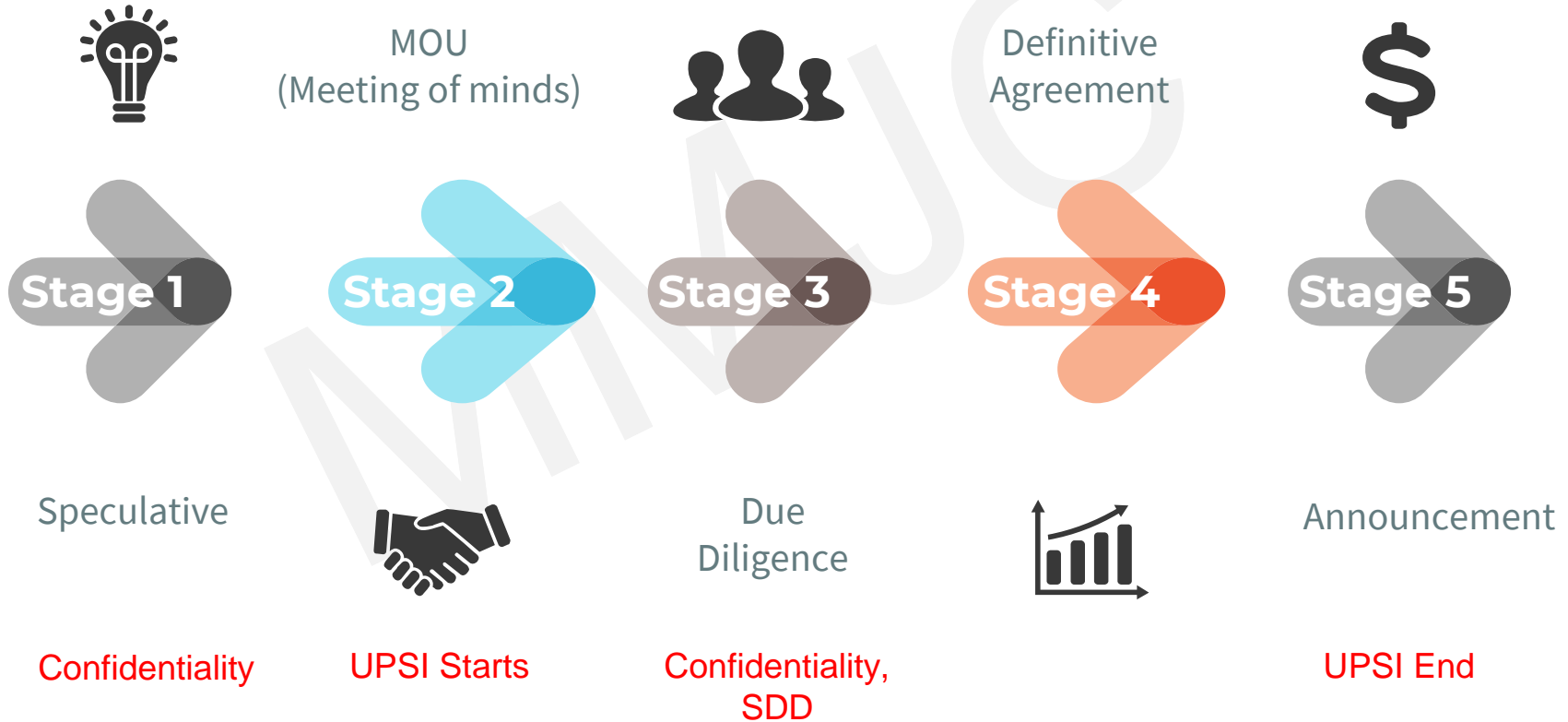
Principles of PIT



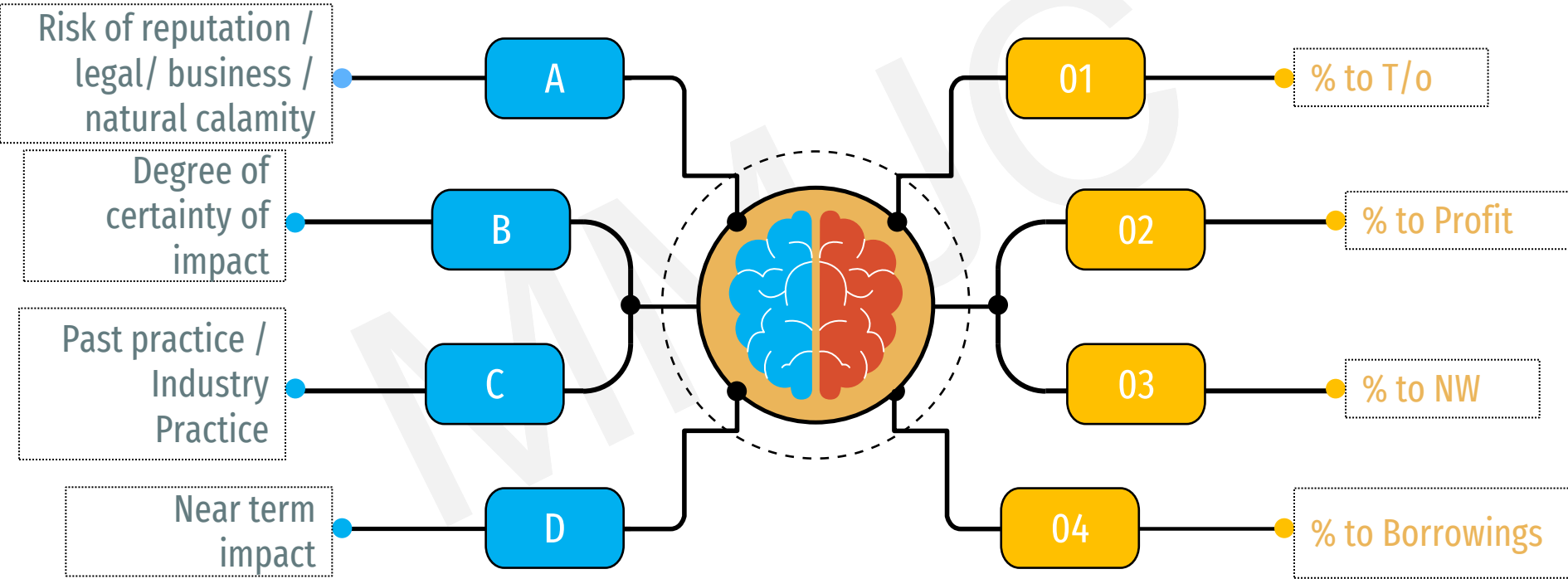
If you hold UPSI, it is presumed your trade is motivated with awareness of UPSI

Stages and sharing of UPSI

MMJC



UPSI - Parameters explained



Quality

Quantity



Role of Compliance Officer w.r.t. Latest Circulars



Back ups for certification with respect to SDD in Place?

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Audit Trail

Time Stamping

Non-Tamperable

Printable report/
Vendor Declaration

Internal

Server Maintenance /
IT Team Declaration

Capturing of UPSI alongwith details of UPSI and details of sharing

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Nature of UPSI along with date & time

Person who is sharing - Name & PAN

Person to whom it is shared- Name & PAN

Exception Report from Software ??

Delay in compliance to be mentioned

Other Points - Back ups

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Control Exists as to who can access SDD for read/ write along with names & PAN

IT Verification + Vendor Declaration

Is it for **all UPSI or UPSI Disclosed** during the quarter?

All UPSI has been captured?

➤ Declaration from all DPs / HOD / Nodal Officer / Captain

➤ SDD v/s Reg 30 Disclosure

Recipient upfront informed of UPSI & SDD entry prior to sharing

➤ Declaration from all DPs+ Verification

➤ Copy of NDA / Confidential mail / SMS

Is it about **only Reg 30** disclosures **or all** disclosures?

Role of CO - Aug 5th, 2022

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Compliance officer:

- Updating list with Designated Dep
- Start Date & End Date
- Update when change in DPs

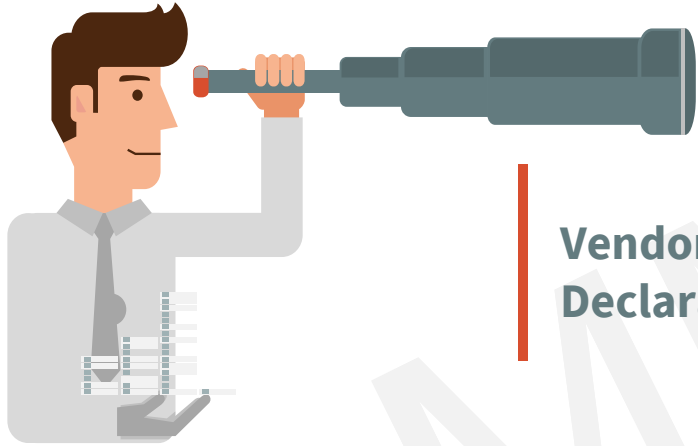


Anomalies:

- Whether ***all DPs or selected DPs?***
 - End date?
- Start Date – ***What if it is earlier date?***

Secretarial Auditor Checkpoints

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**Vendor
Declaration**

**DP/ HOD
Declaration**

SDD Report

**Reg. 30 disclosure /
media news vs SDD vs
NDA**

Press Release ??

Learning Objective

Participants to be able to recall:

- *At least 4 process points while going certificate*
- *At least 3 checkpoints while doing audit*
- *Importance of Process to prove bona fide ..*





**Thank you for being a
keen audience**