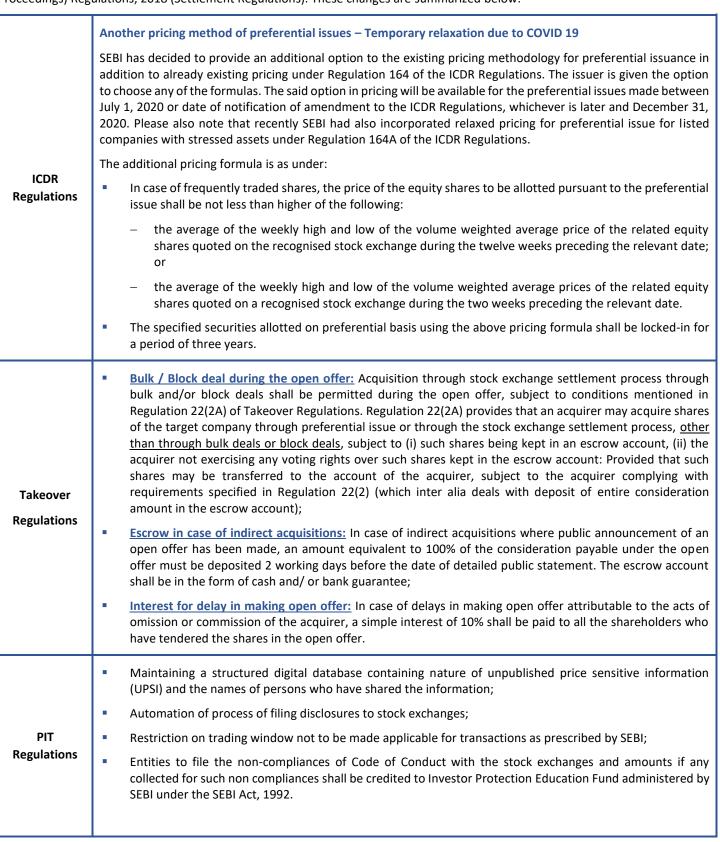


SEBI proposes another preferential issue pricing method - changes also suggested to Takeover Code, Insider Trading Regulations

June 25, 2020

In its meeting held on June 25, 2020, SEBI has considered and decided to introduce certain changes in: (i) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations); (ii) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Takeover Regulations); (iii) SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations); and (iv) SEBI (Settlement Proceedings) Regulations, 2018 (Settlement Regulations). These changes are summarized below:



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Settlement Regulations

- Promoters to be included along with the Principal Officer for the purpose of calculation of the base amount in terms of Table X (dealing with residuary base amount attributable to every count of the alleged default) of Schedule II;
- Base Amount for alleged defaults relating to open offer violations, where the making of the open offer has become infructuous, to be rationalised and benchmark for certain Base Amount in Schedule II to be suitably amended;
- In order to save time, instead of issuing settlement notice under Regulation 18, a paragraph shall be included in the show cause notice, informing the noticee about the option to file a settlement application; etc.

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