



Trading window restrictions made inapplicable for offer for sale (OFS) and rights entitlement (RE) transactions | Format prescribed for disclosure of code of conduct's violation to stock exchanges

July 24, 2020

As you are aware, SEBI had recently amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 (**Insider Trading Regulations**) on July 17, 2020, to:

- Not apply trading window restrictions on certain transactions as may be notified by SEBI. In this context, SEBI has now prescribed that trading window restrictions shall not apply in respect of offer for sale (**OFS**) and rights entitlement (**RE**) transactions carried out in accordance with the framework specified by SEBI;
- To require listed companies, intermediaries and fiduciaries to promptly inform the Stock Exchanges where the concerned securities are traded, regarding violations relating to code of conduct (**CoC**) under the Insider Trading Regulations. In this context, SEBI has now prescribed a revised format, which needs to be followed for these disclosures.

Additionally, SEBI has spelled out the details and the manner in which any amount collected by the listed companies, intermediaries and fiduciaries for violation(s) of CoC shall be remitted to SEBI for credit to the Investor Protection and Education Fund (**IPEF**) administered by SEBI.

Aforementioned has been notified vide two SEBI Circulars issued on July 23, 2020 (ease of trading window restrictions, [available here](#)) and (format for disclosure and credit to IPEF Account, [available here](#)).

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at insights@elp-in.com

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