



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/POLCY/2023/549

September 18, 2023

FRAMEWORK FOR RESTRICTING TRADING BY DESIGNATED PERSONS (“DPS”) BY FREEZING PAN AT SECURITY LEVEL

DPs are advised to refer SEBI Circular no. SEBI/HO/ISD/ISD-PoD-2/P/CIR/2023/124 dated July 19, 2023, and CDSL communique nos. CDSL/OPS/DP/POLCY/2023/417 dated July 19, 2023 CDSL/OPS/DP/POLCY/2022/549 dated September 26, 2022 regarding Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) – **Extending framework for restricting trading by Designated Persons (“DPS”) by freezing PAN at security level to all listed companies in a phased manner as mentioned below.**

As per the above-mentioned SEBI circular dated July 19, 2023, with respect to trading window closure shall be applicable to declaration of quarterly financial results for all listed companies.

Table 1: Timelines for phase wise implementation of the framework

Sr. No.	Companies to be covered	PAN freeze start date
1	Listed companies that are part of benchmark indices i.e. NIFTY 50 and SENSEX	Already applicable as on date
2	Top 1,000 companies in terms of BSE Market Capitalization as of June 30, 2023 (excluding companies' part of benchmark indices)	October 1, 2023
3	Next 1,000 companies in terms of BSE Market Capitalization as of June 30, 2023,	January 1, 2024
4	Remaining companies listed on BSE, NSE & MSEI	April 1, 2024
5	Companies getting listed on Stock Exchanges post issuance of this circular	1st day of the second quarter from the quarter in which the company gets listed #

Illustration: For a company getting listed during January 01 to March 31, 2023, PAN of DPs should be frozen at security level as per prescribed framework latest from July 01, 2023.

The list of top 1,000 listed companies is communicated by the stock exchanges vide their circular reference nos. / links NSE/CML/2023/59 [NSE Circular-31.07.2023.pdf \(ca2013.com\)](#) and 20230731-15 [Notice Number \(bseindia.com\)](#) dated July 31, 2023.



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The operational guidelines are as given below:

1. The functionality is applicable to the Companies only for equity ISINs which are / were part of NIFTY50 or SENSEX30 indices and currently extended to TOP 1000 companies in terms of BSE Market Capitalization as of June 30, 2023, as mentioned above.
2. The Demat accounts where first holder PAN is of non-designated person, but the joint holder PAN is of the designated person, still the specific ISIN in identified demat account will be frozen for both i.e. debit and credit at BO-ISIN level.
3. The freeze reason code no. "25" and reason description "Trading Window Closure Period" will be used for this BO-ISIN level freeze in CDSL depository systems.
4. During the freeze period no debit or credit will be allowed in demat account of the designated persons for the specified ISIN as stated above.
5. DPS need to inform their BOs accordingly.
6. Any trades done prior to "No trading window period" should be settled by way of giving early payin instruction in favor of their CM on the trade date i.e. T day itself.
7. In case of any exemptions provided to be allowed to designated person during trading window closure period, the Designated Person / BOs & issuer need to update the exemption details in the system.
8. Demat accounts of designated persons who are provided with exemptions will be unfreezed on Start of day of exemption start date and will be again freezed on the End of date of exemption end date. The settlement process as mentioned above needs to be followed.
9. Designated persons need to give early / normal pay-in instruction on the trade date itself, in order to settle the trade obligation and avoid the shares being auctioned.
10. Trading window closure freeze exemption end date should be after 2 days from the last exempted trade date on exchange/s.

In view of the above, DPs are requested check DPE6 / DP57 reports for freeze details & update their Backoffice accordingly. DPs are requested to guide your clients regarding freezing of Accounts at Security level & settlement of trades if any accordingly.

DPs are advised to take note of the same and ensure compliance.

Queries regarding this communiqué may be addressed to CDSL – Helpdesk Emails may be sent to: helpdesk@cdslindia.com and telephone number : 08069144800.

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Nilesh Shah
Asst. Vice President - Operations