

SEBI extends Trading Window Closure to Relatives of Designated Persons

The Securities and Exchange Board of India (SEBI) vide its **Circular No. SEBI/HO/ISD/ISD-PoD-2/P/CIR/2025/55 dated April 21, 2025**, has extended the automated trading window closure mechanism to the immediate relatives of designated persons in listed companies to prevent insider trading during periods when unpublished price sensitive information (UPSI) is likely to be in their possession, particularly around the declaration of financial results.

This builds upon the existing system that restricts trading by designated persons themselves. Stock exchanges and depositories are now required to implement systems to freeze the PANs of these immediate relatives at the security level during the trading window closure period.

The implementation will be phased, starting with the top 500 companies by market capitalization on July 1, 2025, and extending to all remaining listed companies by October 1, 2025.

Listed companies will be responsible for providing the details of their designated persons' immediate relatives to the designated depository, which will then share this information with the stock exchanges and other depositories. Depositories will also be required to submit quarterly reports to SEBI on the implementation.

Link - https://www.sebi.gov.in/legal/circulars/apr-2025/trading-window-closure-period-under-clause-4-of-schedule-b-read-with-regulation-9-of-securities-and-exchange-board-of-india-prohibition-of-insider-trading-regulations-2015-pit-regulations-ext-_93504.html