

## **INSIDERLENS IFCO: SDD FOR INTERMEDIARIES & FIDUCIARIES**

From July 17, 2020 onwards SEBI mandates –

- The board of directors or head(s) of the organisation of,
- every person required to handle Unpublished Price Sensitive Information (UPSI), to ensure that a Structured Digital Database (SDD) is maintained,
- containing the nature of UPSI, the names of persons who have shared the information and persons with whom information is shared (all such persons being called Designated Persons (DPs))
- along with their PAN Numbers or other authorized identifier.

So, SEBI PIT Regulations apply to Intermediaries and Fiduciaries (IFCos), like:

Intermediaries = SEBI regulated entities viz., Banks, Brokers, Credit Rating Agencies, Merchant Banks,...

Fiduciaries = Secretarial Auditors, Statutory Auditors, Solicitors, Consultants,...

Also, SEBI requires that –

- SDD shall not be outsourced and shall be maintained internally,
- with adequate internal controls and checks such as date & time stamping and audit trails to ensure database is non-tamperable
- and the SDD is preserved for at least 8 years

InsiderLens IFCo from Axar, is the SDD you are looking for. On February 3, 2023, it was certified by an Independent firm of PCS' to be compliant with SEBI PIT Regulations and up-to-date with amendments, etc. till that date.

InsiderLens IFCo can help IFCOs maintain their own SDD, to track UPSI coming from outside the organization, about all their listed clients. Such clients would be named in a “Restricted” or “Grey” list. The Grey list is confidential, known only to the Compliance Officer (CO) of the IFCo. Only DPs exposed to a specific entity in the Restricted list must learn that the entity is a member of their organization’s Restricted List. The same DP may possess UPSI about more than one Grey list entity.



InsiderLens IFCO helps to track UPSI received from any member of their Restricted List, from the point of time it enters their system, till such time as the concerned listed entity either closes down the UPSI so it ceases to be UPSI or discloses it to a Stock Exchange.

During the journey of the UPSI within the IFCo's SDD, the IFCo's DPs, who possess the UPSI, must not trade in the securities of their relevant Grey List clients, nor should their Immediate Relatives (CP-IRs). The IFCo's CO must issue Trading Window Closure (TWC) notices to DPs. Violation of this regulation must be reported, and penalties levied as per regulations.

InsiderLens IFCo will help the IFCo's Auditors and SEBI visitors see the following:

- Audit Trail showing each step of the UPSI from receipt to closure / disclosure.
- Closure Analysis with respect to any closure, with or without the need for disclosure to the Stock Exchange/s, and with respect to time taken for informing the SE/s when there was a need for disclosure.

Since IFCos receive UPSI from outside their entities, and recipients are mostly different from those exposed to internally generated UPSI, a listed entity that is also an IFCo will need to maintain two kinds of SDDs separately – one SDD, with regard to their internal UPSI as a listed entity (InsiderLens LCo), and another SDD, regarding the UPSI coming in from Grey List entities (InsiderLens IFCo). The IFCo may require different Compliance Officers to manage each separate SDD.

To really see the comprehensive and meticulous compliance that InsiderLens IFCo provides, just schedule a demonstration with:

Axar Digital Services Pvt Ltd  
+91 20 4014 9980  
info@axardigital.com

Narendra Katakhar  
+91 91727 96451  
narendra.katakhar@axardigital.com

Lalit Lochan  
+91 98108 60253  
lalit.lochan@axardigital.com

Bandu Chavan  
+91 92260 74641  
bandu.chavan@axardigital.com

Pramod Jadhav  
+91 93201 96273  
pramod.jadhav@axardigital.com

Uday Mehta  
+91 85528 77115  
uday.mehta@axardigital.com