Annexure – A to NSDL Circular No.: NSDL/CIR/II/05/2024

FREQUENTLY ASKED QUESTIONS

1. **Who can update the Trading window closure period?**

   Ans. Currently, the NIFTY 50 / SENSEX 30 and TOP 2000 companies as per BSE market capitalization for quarter ending December 2023 which will be further extended rest all listed companies from 1st April 2024.

2. **Whether the issuer (listed entity) needs to update member details to depositories again for the purpose of Trading window closure period?**

   Ans. No. the member / designated person (DP) data already uploaded for the purpose of System Driven Disclosure (SDD), will be automatically populated to users for updating Trading window closure period in the system.

3. **Depositories system will be effective from October 1, 2023. So, will the system allow us to enter the data in the last week of September?**

   Ans. Issuer can enter the trading window closure period i.e. start date and end date till T-2 days of respective dates.

4. **End Date will be modifiable in depositories system? How to put end date of Closure of Trading Window, if Date of Board meeting has not been decided on 1st day of Quarter?**

   Ans. Yes, the end date will be modifiable. Issuer can put a notional end date initially and once the board meeting date is decided it can be modified on basis of T-2 days.

5. **Can pledge invoke happen during the tenure of PAN freeze?**

   Ans. Yes, Pledge invoking is allowed in tenure of PAN freeze, provided pledge is marked before the trading window closure period.

6. **If there are multiple accounts, in both depositories whether both depositories freeze the PAN?**

   Ans. Freezing is done on PAN – ISIN level basis, if client PAN have multiple accounts in both depositories, it will freeze on both depositories basis on the PAN uploaded in SDD data for DPs with Designated Depository only. The DPs details needs to be updated only with Designated Depository and not on both depositories.

7. **As per the circular the SDD monitoring is effective immediately from the 1st day of the month following the end of quarter. There are companies which have trading window closure date prior to 1st day of month following end of quarter. How do**

those companies deal with the update. Should we necessarily put the trading window closure date as 1st of the month?

Ans. Currently in portal shall update 1st day of the month following the end of quarter and it recorded same as in both depositories. If there are any companies which have trading window closure date prior to 1st day of month following end of quarter, issuer need to update record on internal basis at their end.

8. **If during trading window, issuer (listed entity) removed DP from the list due to cessation. Do they need to again delete from Trading Window tab as well, if yes, request you to please link this will addition deletion column?**

   Ans. Issuer can delete DP name from the list, but it will not be removed from trading window closure period. Issuers need to give exemption period for the same to that DP or else it will be unfrozen after the trading window period ends.

9. **Can listed entity update addition of DP in during trading window closure period?**

   Ans. Yes, listed entity can update addition of DP in depositories system during trading window closure period. But the freeze date will be accepted on T-2 basis from the date of addition.

10. **What happens when the Listing trading approval for ESOP allotment is approved by the Exchanges during the freezing period? Will the shares be credited?**

    Ans. Yes, the ESOP shares will be credited to designated persons account at the time of trading window closure period through Corporate Action. In case ESOP credit through off-market transfer, listed entity has to provide exemption to designated person.

11. **Can depositories send intimation to DPs that PAN is freeze?**

    Ans. Yes, respective depository shall send SMS / e-mail to Demat account holder, but the issuers have to independently send intimation to their respective DPs about the same.

12. **Is the freezing of PAN only the DPs or their immediate relatives also?**

    Ans. Freezing will be done on PANs provided by respective issuers on portal whether PAN belongs to DPs or their immediate relatives.

13. **In case a designated person is a foreign national/individual who do not possess PAN or a Trading account/Demat account number, whether system driven disclosures are required to be submitted?**

    Ans. If a designated person does not have PAN or a Trading account/Demat account number, then such a person cannot trade in the Indian securities market. Hence, system driven disclosures will not trigger for such a person.

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14. **Whether transfer of shares from one Demat account to another Demat account of the same person will trigger the disclosure requirements?**

Ans. Since beneficiary ownership remains the same, the transfer of shares will not qualify as trading. Hence, disclosure requirements for the same will not be required.

15. **Whether the Trading window closure period (TWCP) process applicable to other than equity ISIN also?**

Ans. Currently, the TWCP is applicable for only equity ISIN only.

16. **When does framework for restricting trading by Designated Persons ("DPs") by freezing PAN at security level become applicable to the Company that has migrated from SME segment to the Main Board?**

Ans. For a company getting migrated during the quarter then the PAN of DPs shall be frozen from the subsequent quarters. For eg. For a company getting migrated during January 01 to March 31, 2024, PAN of DPs should be frozen at security level as per prescribed framework latest from July 01, 2024.

17. **Which company's ISIN qualify to restricting trading by Designated Persons ("DPs") by freezing PAN at security level?**

Ans. Companies that qualify must include all equity listed ISIN and ISINs that are convertible into equity. For eg: Convertible warrants, Convertible Preference shares, etc.

18. **What measures should a Company take regarding open position of Designated Person ("DP") in the derivative segment?**

Ans. The Company is required to educate that the DP's demat account will be frozen from the start of the quarter until the conclusion of trading window closure date. Thus, all open position in the derivative segment should be squared off by DPs before the commencement of trading window closure.

19. **Whether the framework for restricting trading by Designated Persons ("DPs") by freezing PAN at security level is applicable to Companies listed on the SME Board of the Exchanges?**

Ans. Yes, the framework shall be applicable to SME Board listed companies. Such companies are required to prepare and submit financial results to the Stock Exchanges on half yearly basis as per Reg. 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, therefore, the framework is applicable on half yearly basis. If any such company declares and submits financial results voluntarily on quarterly basis, then the applicability shall be on quarterly basis.

20. **Whether the framework for restricting trading by Designated Persons ("DPs") by freezing PAN at security level is applicable for all Unpublished Price Sensitive Information (UPSI)?**

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Ans. No, the framework for restricting trading by Designated Persons ("DPs") by freezing PAN at security level is currently applicable only for financial results.

In case of any query, you may get in touch on the following contact numbers or Email IDs:

	Telephone no.	Email id
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Exchanges:		
National Stock Exchange of India Limited	1800 266 0050 (IVR option 4) Help Desk timings are 09:00 am to 7:00 pm (Monday to Friday)	listingca@nse.co.in
BSE Limited	+91 22 69158560 +91 22 45720460 +91 22 45720660 Help Desk timings are 10:00 am to 5:00 pm on all BSE working days.	bse.regulation30@bseindia.com
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