

THE GAZETTE OF INDIA
EXTRAORDINARY
PART – III – SECTION 4
PUBLISHED BY AUTHORITY
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 19th October, 2020

SECURITIES AND EXCHANGE BOARD OF INDIA
(PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES
RELATING TO SECURITIES MARKET) (SECOND AMENDMENT)
REGULATIONS, 2020

No. SEBI/LAD-NRO/GN/2020/36. — In exercise of the powers conferred under Section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to amend the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, namely: —

1. These regulations may be called the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) (Second Amendment) Regulations, 2020.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, —

- I. In regulation 4, in sub-regulation (1), the following *Explanation* shall be inserted, namely: –

“*Explanation.*– For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.”

AJAY TYAGI
CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA

Footnotes:

1. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 was published in the Gazette of India on July 17, 2003 vide No. S. O. 816(E).
2. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 was amended -
 - i. on April 23, 2007 by the Securities and Exchange Board of India (Manner of Service of Summons and Notices Issued by the Board) (Amendment) Regulations, 2007 vide No. SEBI/LAD/DOP/2232/2007;
 - ii. on December 11, 2012 by the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) (Amendment) Regulations, 2012 vide No. LAD-NRO/GN/2012-13/25/5455;
 - iii. on September 06, 2013 by the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) (Amendment) Regulations, 2013 vide No. LAD-NRO/GN/2013-14/22/22670;

- iv. on December 31, 2018 by the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) (Amendment) Regulations, 2018 vide No. SEBI/LAD-NRO/GN/2018/56.
- v. on March 13, 2020 by the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) (Amendment) Regulations, 2020 vide No. SEBI/LAD-NRO/GN/2020/08.
