

# Preface

Control on sharing of unpublished price sensitive information (UPSI) by those who are having access to it in a structured manner is one of the objective and sensitive areas dealt with by the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”). Once any UPSI is shared, the company loses control over further use of that information by those who come into its possession. If such information is misused for insider trading, it becomes difficult to establish a connection between the company and the recipient of information. In order to keep a trail of sharing of UPSI for legitimate purposes, the concept of maintenance of a Structured Digital Database (“SDD”) has been made mandatory under the PIT Regulations.

Regulations 3(5) and 3(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 are at the root of the entire concept of SDD. Company Secretaries professionals, by virtue of their position as the Compliance Officer under PIT Regulations, shoulder responsibility to ensure compliance with policies, codes of conduct, preservation of UPSI, maintenance of records including SDD etc. under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

In order to sensitize the professionals on the process of certifying compliance related to SDD, the ICSI has formulated this publication covering various aspects of SDD.

I place on record my sincere thanks to all members of the core group for their valuable contribution made during the formulation and finalisation of this Manual on SDD Compliance Certification under the leadership of CS Makarand Joshi and overall guidance of CS B. Narasimhan, Council Member, the ICSI.

My special thanks to all members of the PCS Committee of ICSI for bringing out this publication under their aegis with active support from the team involved at the secretariat.

I am sure that this Manual will be immensely useful for all readers interested in the subject and will be of practical value to those who are involved in the maintaining and certification of SDD. Improvement is a continuous process and equally applicable to this Manual. I would personally be grateful to the readers to offer their suggestions/ comments for further advancement of this Manual.

**Place: Mumbai**

**Date: 06<sup>th</sup> January, 2023**

**CS Devendra V. Deshpande**

**President**

**The Institute of Company Secretaries of India**