

Business Standard

Bank staff investments via PMS amount to insider trading: Sebi

Sebi responds to a clarification sought by HDFC Bank, citing regulation on the matter

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Bank employees investing in portfolio management schemes (PMS) could be construed violating insider-trading norms, according to the Securities and Exchange Board of India (Sebi). Replying to a clarification sought by HDFC Bank, the market regulator said such investments could be “assumed to be motivated by the knowledge and awareness” of insider information. HDFC Bank had sought Sebi’s views on whether investment by its employees, who might be in possession of unpublished price-sensitive information (UPSI) in PMS would come under the ambit of insider trading. The bank ...