

M&A Hotline

March 28, 2025

INSIDER TRADING INVOLVING FAMILY, FRIENDS AND RIVAL FIRMS

This article was first published in www.lexology.com (March, 27, 2025).



Jack L. Warner, the media mogul, once jokingly told Albert Einstein that he had his own theory of relativity: "Never hire a relative!" India's insider trading laws mandate that insiders follow this theory. The SEBI (Prohibition of Insider Trading) Regulations, 2015, make it illegal for insiders possessing unpublished price sensitive information (UPSI) about their company to profit from trading in its securities, either directly or through their relatives. The belief behind this rule is that benefiting a family member is akin to benefiting oneself. For this reason, the Securities and Exchange Board of India (SEBI) deems certain close relatives of insiders as insiders themselves. Recently, SEBI has expanded the list of relatives to cover a person's spouse and both their parents, siblings (and their spouses), and children (and their spouses).

Please click [here](#) for our detailed article.

Authors

- [Khyati Dalal](#) and [Viral Mehta](#)

You can direct your queries or comments to the relevant member.

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

The Tour d'Horizon of Data Law Implications of Digital Twins

May 29, 2025

Global Capability Centers

May 27, 2025

Fintech

May 05, 2025

Research Articles

2025 Watchlist: Life Sciences Sector India

April 04, 2025

Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Audio

CCI's Deal Value Test

February 22, 2025

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

[Click here to view Hotline archives.](#)

Video

Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia | NewsX

April 01, 2025

**SIAC 2025 Rules: Key changes &
Implications**

February 18, 2025

