

CIRCULAR

SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/56

May 24, 2024

To

All Recognized Stock Exchanges

All Recognized Clearing Corporations

All Depositories

All Registered Market Intermediaries

Sir/Madam,

Subject: Norms for sharing of real time price data to third parties

1. It has been observed that certain online gaming platforms, apps, websites, etc. (hereafter referred to as “platforms”) are providing virtual trading services or fantasy games which are based on movement of real time share prices (price data) of listed companies. Some platforms are even offering monetary incentives based on the performance of the virtual stock portfolio.
2. The issue of sharing of real time price data with third parties including various platforms was deliberated in Secondary Market Advisory Committee of SEBI (SMAC). Based on the recommendations of SMAC and to curb misuse or unauthorized use of such data, it has been decided that sharing of real time price data with third parties shall be subject to the following:
 - i. Stock exchanges, clearing corporations and depositories (collectively referred as Market Infrastructure Institutions (MIIs)) and registered market intermediaries shall ensure that no real time price data is shared with any third party including various

platforms, except where sharing of such information is required for orderly functioning of the securities market or for fulfilling regulatory requirements.

- ii. MIs or market intermediaries shall enter into appropriate agreement with entities with whom they intend to share real time price data. The said agreement shall provide for activities for which the real time price data would be used by the entity including the justification that it is required for orderly functioning of the securities market. The list of entities and activities for which the real-time data is being shared with shall be reviewed by the Board of the MIs or market intermediaries at least once in a financial year.
 - iii. Market price data may be shared for investor education and awareness activities without offering any kind of monetary incentive to the participants, with a lag of 1 day.
 - iv. MIs and market intermediaries shall ensure due diligence while sharing such data. The legal agreement for sharing the data shall have provisions to prevent any kind of misuse of the same by the entities.
 - v. The MIs and the market intermediaries shall on best effort basis take necessary steps to avoid misuse of price data by entities with whom the data is being shared.
3. The provisions of the circular shall be applicable from the **30th day** of issuance of the circular.
4. All MIs are advised to:
- i. take necessary steps and put in place necessary systems for implementation of the above.
 - ii. make necessary amendments to the relevant bye-laws, rules and regulations, wherever required, for the implementation of the above; and.
 - iii. bring the provisions of this circular to the notice of the market participants (including investors) and disseminate the same on their website.

5. This circular is issued in exercise of the powers conferred under section 11(1) of the Securities and Exchange Board of India Act 1992 read with regulation 51 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, section 26(3) of the Depositories Act, 1996 and regulation 97 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
6. This circular is available on SEBI website at www.sebi.gov.in at “Legal Framework - Circulars.”

Yours faithfully,

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