



## Delays in Enforcing Insider Trading Norms for Mutual Funds

A year after [mutual funds](#) were brought under **insider trading** regulations by the [Securities and Exchange Board of India \(SEBI\)](#), operational challenges and **delays in enforcement persist**, impacting the implementation of key norms.

- **Insider trading** is the act of buying or selling stocks or other securities of a company **based on Unpublished Price Sensitive Information (UPS) that can affect their value.**
  - This information is **not available to the public** and gives an unfair advantage to the insiders who use it.
  - Insider trading is **illegal**, but if an insider trades their holdings and reports it properly, it is an **insider transaction, which is legal.**
- The law requires insiders to report their trades to the authorities and follow certain rules to prevent insider trading.

**Read more:** [Mechanism to Prevent Insider Trading](#)

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