

Code of Advertisement for Investment Advisers

1. Advertisement shall include all forms of communication issued by or on behalf of or in relation to Investment Advisers (IA) that may influence investment decisions of any investor/prospective investors. It also includes internal communication to registered clients that may influence investment decisions.
2. Forms of communications to which the present Advertisement Code shall be applicable, shall include pamphlets, circulars, brochures, notices, research reports or any other literature, document, information or material published, or designed for use in any publication or displays (such as newspaper, magazine, sign boards/hoardings at any location), in any electronic, wired or wireless communication (such as electronic mail, text messaging, messaging platforms, social media platforms, radio, telephone, or in any other form over the internet) or over any other audio-visual form of communication (such as television, tape recording, video tape recordings, motion pictures, etc.) or in any other manner whatsoever.
3. **Broad guidelines:**
 - 3.1. Prior approval for all Advertisement should be obtained by IA registered with BSE Administration & Supervision Ltd. (BASL) (herein referred as members) from BASL before issuance of Advertisement.
 - 3.2. Any Advertisement issued by Authorized Persons/Business Partner/Channel Partner of the members or Influencer/Blogger being paid (directly or indirectly) in any form of consideration by members, shall require prior BASL approval. Any Advertisement issued by Associated Person on their own shall not be entertained by BASL.
 - 3.3. Members are hereby advised to undertake adequate due diligence to ensure that content used in the Advertisement strictly adheres to the Code of Advertisement prescribed by BASL/Securities and Exchange Board of India (SEBI) from time to time.
 - 3.4. In the event of suspension of any member by BASL /SEBI, the member so suspended shall not issue any Advertisement either singly or jointly with any other member, during the period of suspension.
 - 3.5. BASL reserves the right to direct the member to refrain from issuing any Advertisement for such period as it may deem fit.
 - 3.6. Members should have an internal policy/framework to ensure compliance by itself and Associated Persons/Business Partner/Channel Partner of the members or Influencer/Blogger being paid by members, with the circulars/guidelines issued by BASL/SEBI for Advertisements.
 - 3.7. Any promotion for the mobile application of the member (with or without account opening or Products/Services information) will require prior BASL approval.
 - 3.8. In case of any third-party issuing Advertisement on any platform without the consent of the member, then the member shall disown the said Advertisement. Further, in such cases, the member is required to take

appropriate legal action against such entity and inform BASL regarding such action and outcome thereof.

- 3.9. Information contained in the Advertisement should be accurate, complete and unambiguous.

4. Advertisement shall contain :

The information/disclosures that the advertisement shall contain, include the following :

- 4.1. Name of the member as registered with SEBI, complete registered office address, SEBI Registration number / member ID allotted by BASL, logo / brand name / trade name of the member, if any, and CIN of the member, if applicable
- 4.2. Information which is accurate, true and complete in unambiguous and concise language.
- 4.3. Standard warning in legible fonts (minimum font size 10) which states '*Investment in securities market are subject to market risks. Read all the related documents carefully before investing.*' No addition or deletion of words shall be made to/from the standard warning.
- 4.4. In audio-visual media based Advertisements, the standard warning in visual media based Advertisement and accompanying voice over reiteration shall be audible in a clear and understandable manner. For example, in standard warning both the visual and the voice over reiteration containing 20 words running for at least 10 seconds may be considered as clear and understandable.
- 4.5. Whenever the Advertisement is being issued in a language other than English, it will be ensured that the standard warning is accurately translated in the language of the advertisement.
- 4.6. In case the mode of Advertisement is in the form of SMS/Message/Pop-up, social media, etc. and the details such as full name, logo/brand name/tradename/full registered office address, SEBI registration numbers, BASL membership ID and standard disclaimer are not mentioned, then official website hyperlink should be provided in such SMS/Message/Pop-up, etc., and the website must contain all such details.
- 4.7. If there is a mention of content pertaining to any other business activity such as Mutual Funds, Initial Public Offer (IPO), Insurance, Commodities, Bonds, Loans, etc., in the Advertisement, then respective SEBI registration number(s), where applicable, must be mentioned.
- 4.8. If the member is only a distributor/s for any of the products mentioned in the Advertisement, disclaimer that they are only distributor/s of such products must be specifically mentioned in the disclaimer.
- 4.9. In case any specific security/securities are displayed in the Advertisement as examples, disclaimer that "*The securities quoted are for illustration only and are not recommendatory*" should be mentioned. Further, such disclaimer must be on the same slide of the written creative / frame of the video where such specific security / securities are displayed and not at the

end of the creative / Advertisement. The logos of the securities quoted shall not be used in the creative/Advertisement.

- 4.10. Statistical information, charts, graphs, etc., when used, should be supported by their source, i.e., certification by a practicing professional or other authentic verifiable source, if any.
- 4.11. Where advertising claims are expressly stated to be based on, or supported by independent research or assessment, source of such data and the period it relates to, must be indicated in the Advertisement. Further, authentic source of such information must be provided in the Advertisement.
- 4.12. Name and Logo of BASL shall not be used by the members in their creative / Advertisement.
- 4.13. Advertisement and communications/correspondences with clients shall include the disclaimer that *“Registration granted by SEBI, membership of BASL and certification from National Institute of Securities Markets (NISM) in no way guarantee performance of the intermediary or provide any assurance of returns to investors”*.

5. Advertisement/Material shall not contain :

- 5.1. Anything which is prohibited for publication under the law.
- 5.2. Statements which are false, misleading, biased or deceptive, exaggerated, ambiguous, based on assumptions or projections.
- 5.3. Any misleading or deceptive testimonials.
- 5.4. Statements which, directly or by implication or by omission, may mislead the investor.
- 5.5. Any statement likely to be misunderstood or likely to disguise the significance of the same or any other statement contained in the Advertisement.
- 5.6. Any statement designed to exploit the lack of experience or knowledge of the investors.
- 5.7. Any statement that is exaggerated or is inconsistent with or unrelated to the nature and risk and return profile of the product.
- 5.8. Extensive use of technical or legal terminology or complex language and the inclusion of excessive details which may distract or confuse or induce the investors.
- 5.9. Reference to any report, analysis, or service as free, unless it actually is available for free and without any condition or obligation.
- 5.10. Any promise or guarantee of assured or risk free return to the investors.
- 5.11. The advertisement shall not imply any assured returns or minimum returns or target return or percentage accuracy or service provision till achievement of target returns or any other nomenclature that gives the impression to the client that the investment advice/recommendation of research report is risk-free and/or not susceptible to market risks and/or that it can generate returns with any level of assurance.

- 5.12. Any statement which directly or indirectly discredits other advertisements or intermediaries or makes unfair comparisons or ascribes any qualitative advantage over other intermediaries, directly or indirectly.
- 5.13. Reference to past performance of the IA.
- 5.14. Superlative terms, such as “BEST”, “No. 1”, “Top Adviser”, “Leading”, “One of the best amongst market leaders”, etc., so as to provide any endorsement of quality or standing of the IA. However, factual details of awards received by the IA from independent organisations may be included.
- 5.15. Any statement which directly or indirectly discredits other Advertisements or member or make unfair comparisons. The Advertisement issued should not imitate any Advertisement by other members.
- 5.16. Any recommendation/promotion of a specific investment/scrip/contract, in any manner including by way of reference to past performance or research material, shall not be permitted.
- 5.17. Celebrities shall not form part of the Advertisements including but not limited to, in the form of cartoons/memes, etc. The word ‘celebrity’ means and includes any person:
 - a. who feature in the top 50 rankings in any celebrity index published by a national publication of repute which is publicly available. The celebrity index should be latest available or at the most one-year old.
 - b. who has played lead role or one of the lead roles in any mainstream / prominent/ popular movies/TV serials/TV shows/web-series on any of the OTT platforms.
 - c. who is an Influencer with more than 10 Lacs followers/subscribers (per social media handle) on any social media platform that includes but not limited to YouTube, Instagram, Facebook, Twitter, etc.
 - d. who being a Sports person has been part of National team of the country to which he belongs or has represented his country in international tournaments/events such as Olympic Games, Asian Games, Commonwealth Games, popular sports events telecast on television such as Kabaddi, Cricket IPL, etc. and competitive games at international level for that given sport, etc.
 - e. who has been host or one of the hosts or anchors or one of the anchors for any TV programs such as quizzes, cooking shows, news channels, comedy shows, dance shows, song shows, award functions and such other entertainment programs at least for one season or for a minimum of 10 episodes, as the case may be.
 - f. who has been winner or runners-up in any prominent/popular competitive program aired on TV/OTT platform or any prominent personality who has gone through a series of qualifying rounds (for elimination of competitors) which may be known as qualifying round, quarter finals, semi-finals and finals or by any other name.

- g. who is a virtual character (fictional computer 'people' or avatars who have the realistic characteristics, features and personalities of humans) that bears influence on their audience/followers.
- h. who in the view of BASL is capable of influencing the opinion of viewers of the Advertisement.

Notwithstanding anything contained in the Code of Advertisement, decision of BASL shall be final in determining if the person made a part of the Advertisement/material is a celebrity or not.

5.18 Incentive/referral schemes

- a. Members shall not provide any form of incentive/vouchers/ coupons/ certificates/ tokens, by whatever name called, to their clients/prospective investors for investment advisory account opening or any kind of subscription plan or for downloading mobile application etc. Members shall not offer any scheme/plan to clients/prospective investors which compel them to undertake investment advisory with the member, in order to avail/continue to avail investment advisory with the member.
- b. Members or anybody associated with the member including the Associated Persons/ Associates/ Channel Partners/ Influencers/ Bloggers shall not promote or incentivize investment advisory, in any form including but not limited to distribution of cashback/ certificates /medals /gifts /prizes/ coupons/ tokens.
- c. Members should abide by the guidelines/circulars/notices on incentives/referral schemes issued by SEBI / BASL from time to time.

5.19 Schemes/leagues/competitions:

- a. Member shall not deal or directly/indirectly sponsor or be associated in any kind of scheme/league/competition /quiz /game/ lottery/ engagement programs with general public/clients etc. which involves distribution of money/ certificates/ medals/gifts/ prizes/ coupons/ tokens/etc., or any form of incentive, monetary or otherwise, by whatever name called and has the effect of inducing the investors/clients to promote their brand in any manner or promote/incentivize investment.
- b. No reference of member's name, logo, etc., can be made in any schemes/ leagues/ competition, etc.
- c. Members shall not share any information of their clients with a third party, even with the clients' consent, in case any third party is involved in launching schemes/ leagues/ competition, etc.
- d. Members shall not take any financial liability, including any contingent financial liability, on account of any schemes/leagues/ competition, etc. launched by a third party.

5.20. Any promise or assurance of any fixed/guaranteed/ indicative returns to prospective/ existing clients. Members are not permitted to undertake any business/ activity that is not allowed under the Bye-laws of BASL and Regulations /circulars/notices of SEBI / BASL including operating any scheme of unauthorized collective investment/ portfolio

management, promising indicative/guaranteed/ fixed returns/payments etc.

- 5.21. Recommendations such as BTST (Buy Today and Sell Tomorrow), ATST (Acquire Today and Sell Tomorrow) etc. cannot be mentioned in the Advertisement.
- 5.22. Logo of other entities cannot be used unless specific approval is obtained from the respective entities and the same was disclosed to BASL prior to using the same.

6. Advertisements which do not require BASL Approval

Following shall be exempted from seeking BASL prior approval, provided there is no reference to the member's product or services or fees plans, or any other promotional activities etc. in the said communication:

- a. All communications/material /articles issued by the member subject to holding necessary registrations required under the applicable SEBI Regulations:
 - i. For educational/information purposes, knowledge sharing/training and has no influence upon the investment decisions of any investor.
 - ii. Any communication that is limited to market commentary concerning overall changes in the market on a particular day, or a discussion of economic news wherein there is no mention of any information that can influence the investment decisions of any investor.
 - b. Wishes /Greetings from company on events/festivals by the member which does not involve any form of promotional activities.
 - c. Press release/ audio and video interviews by members which cannot influence the investment decisions of any investor.
 - d. All public communications, inviting applications for franchisees/authorized persons, etc. to drive the business expansion of the member, provided such communication does not have any information that can influence the investment decisions of any investor.
 - e. Advertisements that have been approved previously and that are to be used without any change except changes to factual information whether it is issued by member, Channel Partner or employee. However, such Advertisements should be issued within 180 days from the date of approval by BASL.
 - h. Third party can publish any content related to the products/services offered by them, that has been approved by BASL as content to be used by a member within 180 days from the date of such approval.
 - i. If an Advertisement is approved by BASL for a specific medium (for e.g., print media) and the same Advertisement without any change in the content is redesigned for a different medium (for e.g., social media, etc.) then no further approval would be required. However, such Advertisements should be issued within 180 days from the date of approval by BASL.
7. The present norms and code of Advertisement shall be applicable to any other agency associated with the IA concerned and issuing Advertisement wherein the IA has been

named in the Advertisement. Further, copy of the Advertisement shall be retained by the IA for a period as may be prescribed by BASL / SEBI from time to time.

8. Approval provisions:

- a. Members can apply for Advertisement approval by logging on to their BASL membership portal wherein a separate tab has been provided for Advertisement Application.
- b. A maximum number of 3 creatives can be included in one Advertisement for approval.
- c. Copy of the complete Advertisement including contents provided in the link shall be submitted in the form of PDF (videos to be uploaded on BASL Membership portal) to BASL.
- d. Members shall provide an undertaking as per the format provided (Annexure A) confirming compliance with the Code of Advertisement. (The format of undertaking is also readily available in BASL membership Portal - advertisement section)
- e. Members shall provide an undertaking as per the format provided (Annexure B) while submitting the draft content/script/Advertisement that has individuals forming a part of it, to BASL for approval (The format of undertaking is also readily available in BASL membership Portal - advertisement section).
- f. In case a creative is issued in any regional language, member shall provide the translated version of the said Advertisement in English.

8. Penalties:

Members not complying with the Code for Advertisement may be subject to suitable action(s) such as imposition of penalty from time to time.

Notwithstanding anything contained in the Code of Advertisement :

- a) Members must comply with the code of conduct prescribed under the SEBI (Investment Advisers) Regulations, 2013 and all relevant Bye-laws of BASL, Regulations, guidelines, circulars, notices etc., prescribed by SEBI/ BASL from time to time.
- b) Members must comply with any additional guidelines as may be specified by SEBI / BASL from time to time.
- c) Decision of BASL shall be final in determining whether the Advertisement is complying with this Code of Advertisement.