

National Stock Exchange Of India Limited**DEPARTMENT : COMPLIANCE**

Download Ref No : NSE/COMP/45538

Date : September 01, 2020

Circular Ref. No : 74/2020

To All Members,

Sub: Advertisement/publication of Non-Broking Products/Services

This has reference to the Exchange Circular Ref. No. NSE/COMP/43373 dated January 30, 2020 regarding frequently asked questions (FAQs) on advertisements. The circular provides guidelines/clarifications to the Members which needs to be complied with while issuing advertisements.

It has recently come to the notice of the Exchange that certain members are cross selling products/services of their group companies on their websites without giving adequate disclosures, thus resulting in misrepresentation to investors. In this regard, Members attention is drawn to point 4 (c) of the aforementioned FAQ which, while providing exemption for taking Exchange approval, mandates Members to give adequate disclosures while advertising or publicizing any Non-Broking Products/Services. The said clause is hereby reiterated below for ready reference:

“Contents which are exclusively for Non-Broking Products/Services e.g. Mutual Fund, Mutual Fund-SIP, Research reports, Insurance, etc. where the Member is just a distributor. This should contain specific disclosure that these are not Exchange traded product and the Member is just acting as distributor. It should also state that all disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.”

It is hereby re-iterated that in case Members are advertising or publicizing any Non-Broking Products/Services such as loans, Mutual Fund, Mutual Fund-SIP, Research reports, Insurance, etc., it shall clearly disclose who is offering such Products/Services and that these are not Exchange traded product/(s)/services. It should further be stated that Member is just acting as distributor/agent of such Products/Services and all disputes with respect to the distribution activity would not have access to Exchange investor redressal or Arbitration mechanism.

Members are hereby directed to ensure strict compliance of the code of advertisement and the various circulars relating to Advertisement issued by the SEBI/Exchange from time to time. Any non-compliance in this regard shall attract appropriate disciplinary actions.

The code of advertisement along with the relevant circulars and FAQ are available on the following link:

<https://www.nseindia.com/trade/members-code-of-advertisement>

Members are requested to take note of the same and comply.

For and on behalf of
National Stock Exchange of India Limited

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