

# National Stock Exchange of India

## Advertisement Code for Online Bond Platform Providers (OBPPs)

### 1. Forms of Communication:

- (i) Advertisement shall include all forms of communication issued by or on behalf of or in relation to entities purely functioning as an OBPP that may influence investment/trading decisions of any investor/prospective investor. It also includes internal communication with registered clients that may influence investment/trading decisions.
- (ii) The forms of communications to which the 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) or in any other manner whatsoever.

### 2. Information / Disclosures in all Advertisements

All advertisements issued by OBPPs shall contain the following information / disclosures:

- (i) Name of the OBPP as registered with SEBI, registered office address, SEBI Registration No. (all registration numbers and names of the Exchanges in case of multiple memberships)/OBPP ID, Logo/brand name/ trade name of the OBPP, if applicable.
- (ii) Information, which is accurate, true, fair, clear and unambiguous (including indications of details of the platform and products on the platform).
- (iii) Standard warning in legible fonts (minimum 10 font size) which states *“Investments in debt securities, municipal debt securities/securitised debt instruments are subject to risks, including delay and/ or default in payment. Read all the offer related documents carefully”*. No addition or deletion of words shall be made to the standard warning.

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- (iv) 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 25 words running for at least 8 seconds may be considered as clear and understandable.
- (v) Any advertisements in regional language(s) shall contain the standard warning in such regional language.
- (vi) In case the mode of advertisement is in the form of SMS/Message/Pop-up, etc. and the details such as full name, logo, complete registered office address, SEBI registration numbers and standard disclaimer are not mentioned, then a hyperlink to the official website must be provided in such SMS/Message (including whatsapp messages)/Pop-up, etc. and the website must contain all such prescribed details.
- (vii) In case the OBPP is issuing an advertisement providing information of an available product / security on its platform, the advertisement must include the following items: (a) Name of Issuer; (ii) Tenor; (iii) Credit Rating of Issuer, if any; (iv) nature of security (secured or unsecured); and (v) Yield to Maturity (YTM)<sup>1</sup>. The advertisements may also include any other detail as has been set out in Annex – B of the OBPP Regulations at the discretion of the OBPP.

<sup>1</sup>Disclaimer to be mentioned: For detailed calculation of YTM, please visit our website {website link}.

- (viii) Name and Logo of the Exchange shall not be used by the OBPPs in their creatives / advertisement.
- (ix) 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 sources of such information must be provided in the Advertisement.
- (x) OBPPs are encouraged to use simple language and avoid the use of complex technical or legal terminology or excessive details which may confuse the investors. However, use of terminology widely accepted and related to the product shall be permitted.
- (xi) OBPPs may be permitted to utilize the term “fixed returns” in their advertisements since bonds are classified as fixed income securities. However, the same shall be accompanied by standard warning as mentioned in point no.10 in the Advertisement code of OBPPs provided at Annex-XXIC of SEBI Master Circular dated May 22,2024.
- (xii) Logo of other entities cannot be used unless specific approval is obtained from the respective entities.

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### 3. Prohibitions in Advertisements

The advertisements / material should not contain:

- (i) Anything which is prohibited for publication under the law.
- (ii) Statements which are false, misleading, biased or deceptive based on assumptions or projections.
- (iii) Any statement designed to exploit the lack of experience or knowledge of the investors or any slogan that is exaggerated or unwarranted or inconsistent with or unrelated to the nature and risk and return profile of the product being advertised.
- (iv) Superlative terms, such as “Best”, “No. 1”, “among market leaders”, “Top OBPP”, “Leading” etc. unless such terms are provided by an entity independent of the OBPP and its affiliates, and whose services are not procured by the OBPP or any of its affiliates in order to assign the OBPP such term.
- (v) Any such terms which are misleading/alluring to investors such as “inflation-bearing returns”, “helping investors beat inflation”, etc. in their advertisements.
- (vi) Any statement which directly or indirectly discredits other advertisements or OBPP/Member or make unfair comparisons with other OBPP/Member/s. The advertisement issued should not imitate any advertisement by other OBPP/Member.
- (vii) 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:

- 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 the latest available or at the most one-year old.
- who has played the 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.
- who is an Influencer with more than 10 Lakh followers/subscribers (per social media handle) on any social media platform that includes but not limited to YouTube, Instagram, Facebook, Twitter, etc. To be sure, the influencer will be considered a celebrity only on the platform on which he has more than 10 Lakh followers.
- 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 telecasted on television such as Kabaddi, Cricket IPL, etc. and competitive games at international level for that given sport, etc.

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- 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.
- 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, semifinals and finals or by any other name.
- 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.
- who in the view of Exchange is capable of influencing the opinion of viewers of the advertisement.

Notwithstanding anything contained in these guidelines, the decision of the Exchange shall be final in determining if the person who makes a part of the advertisement/material is a celebrity or not.

- (viii) Any promise or assurance of any assured/guaranteed returns to respective / existing clients. The advertisement shall not give the impression to the client that the product / security is risk-free and/or not susceptible to market risks and/or that it can generate returns with any level of assurance.
- (ix) Advertisements shall not include the SEBI Logo.

### 4. Other Compliances / Requirements

- (i) Prior approval of Exchanges shall not be required for advertisements for which standard templates have been approved by the Exchange. For common templates of advertisements, OBPP Association {as recognized by relevant authority from time to time} may submit the draft template to the Exchange for approval.

Subsequently, the approved templates may be shared by the OBPP Association {as recognized by relevant authority from time to time} with all the OBPPs.

- (ii) Any advertisement other than the common templates to be submitted by the respective OBPPs for approval to the Exchanges through 'NEW ENIT-COMPLIANCE' module. A maximum number of 5 creatives can be included in one advertisement for approval.
- (iii) Copy of the complete advertisement including contents provided in the link shall be submitted in the form of pdf (videos to be provided either through email/CDs/Pen drives, any other acceptable mode) to the Exchange at least seven working days in advance before issuing the advertisement.

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- (iv) OBPPs shall provide an undertaking as per the format provided (Annexure B) confirming compliance with the code of advertisement.
- (v) OBPPs shall provide an undertaking as per the format provided (Annexure C) while submitting the draft content/script/advertisement that has individuals forming a part of it, to the Exchange for approval.
- (vi) Exchange approval shall be exempted for the advertisements/communications for educational/information purposes, knowledge sharing/training, 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/trading decisions of any investor, provided there is no reference to the OBPP/ product or services or Brokerage plans, or any other promotional activities etc. in the said communication.
- (vii) On a quarterly basis, all OBPPs are required to upload the issued advertisement for which prior approval was taken by OBPP Association {as recognized by relevant authority from time to time} through standard template on Exchange portal.
- (viii) The OBPP should not engage in any games, leagues, schemes, competitions etc. which may involve distribution of prize monies, medals, gifts etc. which incentivize investments in any product of the OBPP.
- (ix) Copies of the advertisements issued by the OBPP shall be retained for a period of 5 years.
- (x) Any additional guidelines may be specified by SEBI/Exchanges from time to time.
- (xi) 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 OBPPs, Channel Partner or employee. However, such advertisements should be issued within 180 days from the date of approval by the Exchange.
- (xii) Third party can publish any content related to the products/services offered by them, that has been approved by the Exchange as content to be used by a OBPPs within 180 days from the date of such approval.
- (xiii) If an advertisement is approved by Exchange 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 the Exchange.
- (xiv) In the event of suspension of any OBPP by the Exchange, the OBPP so suspended shall not issue any Advertisement either singly or jointly with any other OBPP, during the period of suspension.

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- (xv) In the event of any proceeding/action initiated against a OBPP by a regulatory body other than the Exchange, the Exchange reserves the right to direct the OBPP to refrain from issuing any Advertisement for such period as it may deem fit.
- (xvi) In case of any third-party issuing Advertisement on any platform without the consent of the OBPP and the OBPP disowns the said Advertisement, in such case, the OBPP is required to take appropriate legal action against such entity and inform the Exchange regarding such action and outcome thereof.
- (xvii) OBPPs 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.
- (xviii) OBPPs shall not take any financial liability, including any contingent financial liability, on account of any schemes/leagues/competition, etc. launched by a third party.

### **6. Penalties**

- a) OBPPs not complying with the Code for Advertisement may have to face disciplinary proceedings including but not limited to penalty of Rupees One Lakh per instance (As per circular Download Ref. No.: NSE/INSP/53530 dated September 02, 2022) or any other penalty prescribed by the Exchange from time to time.
- b) In case a OBPP issues an advertisement despite Exchange rejection, the OBPP shall be, in addition to the monetary penalty, restricted from taking new clients for one month or till such time the advertisement is taken down, whichever is later.
- c) In case of repeated violations, monetary penalty shall be levied with an escalation of 50%.

Additionally,

- 1. In case OBPP issues advertisement without Exchange approval on 3 occasions, OBPP shall be debarred from taking new clients for one month.
- 2. In case OBPP issues advertisement without Exchange approval on 5 occasions, the trading rights shall be withdrawn for one working day or till the approval is sought, whichever is later.
- 3. In case OBPP issues advertisement despite Exchange rejection on two occasions, in addition to the monetary penalty, trading rights shall be withdrawn for one day or till such time the advertisement is taken down, whichever is later.

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4. It may be noted that the penalties/disciplinary action(s)/charges are indicative in nature and could undergo change in specific cases depending on frequency and gravity of the violations. Such cases will be placed before the relevant authority of the Exchange for appropriate action.

Notwithstanding anything contained in these guidelines:

- a) OBPPs must comply with code of conduct prescribed under Regulation 9 of SEBI (Stock Brokers) Regulations, 1992 and all relevant Byelaws, rules & regulations and of SEBI/Exchange with respect to sharing of Brokerage, account opening, inducement to trade, sales practices, orders placement etc. issued from time to time.
- b) Decision of the Exchange shall be final in determining whether the advertisement is complying with this Code.