

National Stock Exchange of India Limited

Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/63425	Date: August 14, 2024
Circular Ref. No: 52/2024	

To All Trading Members,

Sub: Clarification on incentives/referral schemes

This is with reference to Exchange Circular No. NSE/INSP/43029 dated December 26, 2019, Circular No. NSE/INSP/43824 dated March 11, 2020, and Circular No. NSE/INSP/51770 dated March 25, 2022, on "Clarification on incentives/referral schemes". Reference is also drawn on SEBI Circular No. MIRSD/DR-1/Cir-16/09 dated November 06, 2009, Exchange Circular No. NSE/COMP/48536 dated June 09, 2021, Circular No. NSE/COMP/56947 dated June 02, 2023, and Circular No. NSE/COMP/58438 dated September 18, 2023 on "Market Access through Authorised Persons".

It has come to the notice of the Exchange that certain referring persons are not registered as an Authorised Person of respective Trading Member.

With a view to safeguard the interest of investors, it is hereby clarified that any person referring a client to the Trading Member shall be appointed as an Authorised Person (AP) of the Trading Member after obtaining specific prior approval from the stock exchange for each such person.

It is reiterated that Trading Member shall ensure their Authorised Persons are engaged only in permitted activities and are not undertaking any business which are disallowed under the Byelaws, Rules, Regulations and Circulars of SEBI/Exchange including operating any schemes of unauthorized collective investments/portfolio management, promising indicative/ guaranteed/fixed returns etc.

Further, Members shall comply with code of conduct prescribed for Stock Brokers under Regulation 9 of SEBI (Stock Brokers) Regulations, 1992 and all relevant Byelaws, Rules Regulations and of SEBI/Exchange w.r.t sharing of Brokerage, account opening, inducement of trade, sales practices, order placement, etc., issued from time to time.

All Members are advised to take note of the contents of the circular and strictly comply.

National Stock Exchange of India Limited

For and on behalf of
National Stock Exchange of India Limited

Kapil Marwah
Associate Vice President

In case of any clarifications, Members may contact our below offices:

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