

Annexure I

Code of Advertisement

- 1.1 Advertisement shall include all forms of communications issued by or on behalf of Stock Broker in publicly available media that may influence investment/sale decisions of any investor/prospective investors.
- 1.2 Forms of communications shall include, form of document, pamphlets, circulars, brochures, notice or any research reports or any other literature or information, material published, or designed for use in a newspaper, magazine, SMS or other periodical, radio, television, telephone or tape recording, video tape display, signs or bill boards, motion pictures, telephone directories (other than routine listings) or other public media including websites or emails, whether in print or audio visual form or used in workshop/seminar or public speaking or in any other manner.
- 1.3 Advertisement/Material shall contain:
 - a. Name of the Stock Broker, registered office address of the member, SEBI Registration No (all registration numbers and names of the Exchanges in case of multiple memberships) / Stock Broker ID allotted by Exchange and logo of the Stock Broker, if any.
 - b. Information which is accurate, true, fair, clear, complete, unambiguous and concise.
 - c. Standard warning in legible fonts (minimum 10 font size) 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 the standard warning. In audio-visual media based advertisements, the standard warning in visual 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 17 words running for at least 5 seconds may be considered as clear and understandable.
 - d. In case the mode of advertisement is SMS/Message/Pop-up, etc. and the details such as full name, logo, full registered office address, SEBI registration numbers and standard disclaimer are not mentioned, then official website hyperlink has to be provided in such SMS/Message/Pop-up, etc. and the website must contain all such details.
 - e. If there is mentioning of content pertaining to any other business activity such as Mutual Funds, IPO, Insurance, Commodities, Bonds, Fixed Deposits, Loans, etc., in the advertisement, then respective registration number(s) where applicable should be mentioned.
 - f. 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 should be specifically mentioned in the disclaimer.

- g. In case any specific security/securities are displayed in the advertisement as examples, disclaimer that “The securities quoted are exemplary and are not recommendatory” should be mentioned.
- h. If the advertisement contains prepaid Brokerage schemes, Exchange circular (ref. no. NSE/INSP/26252 dated March 24, 2014) regarding pre-paid schemes should be complied with. In case anything related to the brokerage rates offered by the member is mentioned in the advertisement, then a disclaimer stating that the “Brokerage will not exceed the SEBI prescribed limit” should be mentioned.

1.4 Advertisement/Material shall not contain:

- a. Anything which is otherwise prohibited for publication under the relevant Act, unwarranted, or make any promises.
- b. Statements which are false, misleading, biased or deceptive, based on assumptions/projections.
- c. Shall not contain any misleading or deceptive testimonials.
- d. Statements which directly or by implication or by omission may mislead the investor.
- e. Any statement designed as likely to be misunderstood or likely to disguise the significance of the statement.
- f. Any statement designed to exploit the lack of experience or knowledge of the investors.
- g. Any slogan that is exaggerated or unwarranted or slogan that is inconsistent with or unrelated to the nature and risk and return profile of the product.
- h. Any promise or guarantee of assured return to the general investors.
- i. Any statement which directly or indirectly discredits other advertisements or Stock Broker or make unfair comparisons.
- j. Representations made about the performance or activities of the broker unless accompanied by data regarding performance, disclosures of all the risk factors, etc. and disclaimer that “Such representations are not indicative of future results”. Such disclaimer shall be in the same font as the rest of the advertisement.
- k. Superlative terms, such as best, no. 1, one of the best, among market leaders, etc. unless such terms is provided by an entity independent of the Stock Broker and its affiliates, and

whose services are not procured by the Stock Broker or any of its affiliates to assign the Stock Broker such term.

1. Recommendations such as BTST (buy today and sell tomorrow), ATST (acquire today and sell tomorrow) etc. cannot be mentioned in the advertisement as per Exchange circular ref. no. NSE/COMP/13186 dated October 05, 2009.

1.5 Compliance and Other Requirements:

- a. Prior approval for the advertisement/material to be obtained from the Stock Exchange before issue.
- b. No celebrities shall form part of the advertisement/material.
- c. Statistical information, charts, graphs, etc. when used should be supported by their source, if any
- d. Where advertising claims are expressly stated to be based on or supported by independent research or assessment, the source and date of this should be indicated in the advertisement.
- e. In the event of suspension of any Stock Broker by the Exchange, the Stock Broker so suspended shall not issue any advertisement either singly or jointly with any other Stock Broker, during the period of suspension.
- f. In the event of any proceeding/action initiated against a Stock Broker by a regulatory body other than the Exchange, the Exchange reserves the right to direct the Stock Broker to refrain from issuing any advertisement for such a period as it may deem fit.
- g. The Stock Broker shall not involve/engage in games/leagues/schemes/competitions etc. which may involve distribution of prize monies/medals/gifts, etc.
- h. These norms shall be applicable to any other investment/consultancy agencies associated with the Stock Broker concerned and issuing advertisement wherein the Stock Broker has been named in the advertisement.
- i. Copy of the advertisement shall be submitted to the Exchange atleast seven days in advance before its issue.
- j. Further to Exchange circular ref. no. NSE/COMP/30985 dated October 21, 2015 wherein members were instructed to submit an undertaking alongwith every advertisement submitted for approval, the updated undertaking format in compliance with the revised Code of Advertisement for Stock Brokers is provided at **Annexure II**.