

CIRCULAR

SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/146

October 24, 2024

To,

All Research Analysts

Research Analyst Administration and Supervisory Body (RAASB)

Madam / Sir,

Sub: Clarification with respect to advertisement code for Research Analysts (RAs)

1. SEBI, vide Circular no. SEBI/HO/MIRSD/MIRSD-PoD-2/P/CIR/2023/51 dated April 5, 2023 and Master Circular for Research Analysts dated May 21, 2024 (hereinafter mentioned as 'Master Circular'), specified provisions related to advertisement code to be followed by a Research Analyst in their advertisements.
2. SEBI is in receipt of certain queries with respect to applicability of provisions of advertisement code on a Research Report issued by an RA. In this regard, it is clarified that **Research Report and research recommendations of an RA are not considered advertisement** unless anything contained in the research report is in the nature of promotion of products or services offered by an RA. Accordingly, the paragraph 8.1 a. ii. of the Master Circular shall read as under:

“The forms of communications, to which the advertisement code shall be applicable, shall include pamphlets, circulars, brochures, notices 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.

Further, a research report, irrespective of the mode of its dissemination to any investor or prospective investor, shall be construed as an advertisement if anything contained in the said research report is either expressly or impliedly in the nature of promotion of products or services offered by an RA.”

3. This circular is issued in exercise of powers conferred under Section 11(1) of Chapter IV of the Securities and Exchange Board of India Act, 1992 and Regulation 24(2) of the SEBI (Research Analysts) Regulations, 2014, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
4. This circular is available on SEBI website at www.sebi.gov.in under the category: ‘Legal → Circulars’.

Yours faithfully,

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