

Common Advertisement Code for Specified SEBI Regulated Entities

1. Objective:

- 1.1.** This memorandum seeks approval of the Board to amend the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 (“Intermediaries Regulations”) and consequential amendments to the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026 (“MF Regulations”) with the objective of issuing a Common Advertisement Code (“CAC”) for Specified SEBI Regulated Entities.

2. Background:

- 2.1.** Presently, advertisement guidelines applicable to various SEBI regulated entities are individually prescribed under respective regulations/master circulars governing the concerned regulated entities and/or through circulars issued by recognised stock exchanges/respective supervisory bodies.
- 2.2.** While the underlying regulatory objective across the different frameworks is substantially similar - namely that advertisements should be fair, balanced, truthful, transparent and not misleading, the requirements relating to terminology, approval mechanisms, disclosures, disclaimers and reporting vary across different categories of regulated entities.
- 2.3.** The existing framework also requires prior approval of advertisements in certain cases. In particular, prior approval requirements are applicable to advertisements issued by Stock Brokers (“SBs”) and Online Bond Platform Providers (“OBPPs”) through the concerned Stock Exchanges and to advertisements issued by Investment Advisers (“IAs”) and Research Analysts (“RAs”) through their respective recognised supervisory bodies. In contrast, the current framework applicable to Mutual Funds (“MFs”)/Asset Management Companies (“AMCs”), inter alia, does not provide for any approval/reporting.
- 2.4.** SEBI received representations from the industry associations of the above mentioned regulated entities wherein they highlighted concerns with regard to certain provisions of the existing advertisement codes applicable to them. SEBI also engaged with Industry Standard Forums (“ISFs”) of multiple regulated entities, supervisory bodies such as Stock Exchanges and Industry bodies like Association of Mutual Funds in India.

- 2.5.** Based on above, it was decided to review and consolidate the fragmented advertisement regulatory frameworks applicable to various SEBI-regulated entities into a single, common Advertisement Code.
- 2.6.** The specified regulated entities proposed to be covered under the CAC are SBs, Depository Participants (“DPs”), IAs, RAs, OBPPs, Portfolio Managers (“PMs”) and MFs/AMCs, and such other entities as may be specified by the Board from time to time.

3. Public consultation

- 3.1.** In order to seek public comments on the proposed framework, a consultation paper titled “Common Advertisement Code for Specified SEBI Regulated Entities” was issued on June 23, 2026 (**Annexure-A**). The consultation period ended on July 14, 2026.
- 3.2.** The consultation paper, inter alia, proposed replacement of the existing entity-specific and exchange-specific advertisement codes by a single CAC and replacement of mandatory prior approval of advertisements (except advertisements featuring celebrities) with a post-issuance reporting mechanism.
- 3.3.** The consultation paper also provided for the draft provisions of CAC covering aspects such as definition of advertisement, definition of celebrity, mandatory disclosures/disclaimers to be issued, list of communications not considered as advertisement, provisions related to celebrity endorsements, general obligations, use of ratings/rankings in advertisements, prohibition in advertisements including dark patterns, reporting requirements and action for non-compliance.
- 3.4.** Specifically, public comments were sought on the proposals in respect of the following:
- 3.4.1. Replacement of the existing entity-specific and exchange-specific advertisement codes by a single CAC;
 - 3.4.2. Replacement of mandatory prior approval of advertisements, except advertisements featuring celebrities, with a post-issuance reporting mechanism to supervisory body or the Board (if no such body has been specified by the Board for regulated entity);

- 3.4.3. Permitting celebrity endorsements at the entity/brand level subject to prior approval and prescribed safeguards;
 - 3.4.4. Providing carve-out for certain communications such as educational and investor-awareness related content which does not promote any product or service of the regulated entity; and
 - 3.4.5. Permitting use of ratings/rankings assigned by a Past Risk and Return Verification Agency ("PaRRVA"); permitting abbreviated disclosures for short-format communications through hyperlinks to the complete disclosures; prohibitions in advertisements including dark patterns; and any other suggestions from public.
- 3.5.** A total of 412 responses were received on the proposals, out of which 342 responses (83%) were in agreement, 29 responses (7%) were in disagreement, whereas 41 responses (10%) did not indicate their agreement/disagreement. **(This has been excised for reasons of confidentiality.)**
- 3.6.** SEBI has considered all the feedback received carefully and has incorporated the feedback in the proposal, where appropriate. Comments that are of wider interest, together with SEBI's comments, are set out in subsequent paragraphs.

4. Proposals for the consideration and approval of the Board:

4.1 Replacement of the existing entity-specific and exchange-specific advertisement codes by a single CAC

4.1.1 Proposal in Consultation Paper:

4.1.1.1 Considering that the existing advertisement frameworks applicable to different categories of regulated entities are fragmented and have certain varied requirements, the consultation paper proposed to introduce a common regulatory framework in the form of a CAC, applicable to all specified regulated entities and such other entities as may be specified by the Board from time to time, in place of existing entity-specific and exchange-specific advertisement codes.

4.1.2 Analysis of public comments:

4.1.2.1 The public comments received in response to the above proposal are summarized as under:

Strongly agree	Agree	Partially Agree	Disagree	Strongly Disagree	No indication	Total
32	25	13	3	1	4	78

4.1.2.2 The public comments received are largely in favour of the proposal.

Major concerns are highlighted below:

Public Concerns/ Suggestions:

- a. Two respondents highlighted that IAs also provide advice on products which are outside the regulatory domain of SEBI. Accordingly, it was suggested that applicability of CAC should be clarified in respect of advertisements issued by IAs in relation to such products.
- b. One respondent suggested that CAC should be extended to Alternative Investment Fund (AIF) Managers and MF Distributors.
- c. Two respondents suggested that separate advertising framework may be retained for IAs in place of common advertisement code. Further, eight respondents suggested that specific carve-outs may be provided for OBPPs to use terms such as “fixed returns”, yield, coupon, etc.

SEBI's comments:

- a. In view of the comment, it is necessary to clarify that if a specified regulated entity issues a combined advertisement which includes both SEBI-regulated and non-SEBI regulated products/services, the entity shall comply with the provisions of CAC. These provisions may not be applicable in cases where the advertisement contains only non-SEBI regulated products/services.
- b. AIF products are privately placed, and therefore their investor solicitation is restricted to identified/prospective investors rather than the public at large. Accordingly, bringing AIFs under CAC may not be desirable as it may contradict with their existing regulatory framework.

- c. As the code applies to AMCs, the MF distributors who are engaged by AMCs would also need to comply with the provision of the code. However, in order to provide more clarity, Association of Mutual Funds in India (“AMFI”) may be advised to separately prescribe certain standards for MF distributors in addition to provisions of the CAC.
- d. With reference to the suggestion regarding separate codes and specific carve-outs, it may be noted that CAC will be the common code superseding all existing advertisement codes pertaining to specified regulated entities. Further, the draft CAC already provides for issuance of specific instructions by way of circulars applicable to specific class of specified regulated entities. However, it may be clarified that such instructions shall also include instructions on disclaimers.

4.1.3 Proposal for Board approval: Based on the feedback received in public consultation and subsequent discussions held internally, the following is submitted for approval of the Board:

- 4.1.3.1 In place of the existing advertisement frameworks applicable to different categories of regulated entities as prescribed under respective regulations/master circulars and supervisory body-specific frameworks, a common regulatory framework may be specified in the form of a CAC applicable to the specified regulated entities viz. SBs, DPs, IAs, RAs, OBPPs, PMs, MFs/AMCs, and such other entities as may be specified by the Board from time to time.
- 4.1.3.2 It is proposed to clarify in CAC that where an advertisement issued by a specified regulated entity contains any SEBI-regulated product, the specified regulated entity shall comply with the provisions of CAC, irrespective of whether such advertisement also contains any non-SEBI regulated products.
- 4.1.3.3 Further, as the code applies to AMCs, the provision of CAC may also be applicable to MF distributors. However, AMFI may be

advised to separately prescribe certain standards for MF distributors in addition to provisions of the CAC.

4.1.3.4 It is also proposed that specific instructions including disclaimers may be specified by way of issuance of circular by the Board from time to time for specified regulated entity.

4.2 Replacement of mandatory prior approval of advertisements, except advertisements featuring celebrities, with a post-issuance reporting mechanism to supervisory body or the Board (if no such body has been specified by the Board for regulated entity)

4.2.1 Proposal in Consultation Paper:

4.2.1.1 In order to reduce delays and compliance burden arising from prior approvals, particularly for digital and/or time-sensitive advertisements, the consultation paper proposed to replace the existing requirement of prior approval of advertisements (except advertisements featuring celebrities) with a post-issuance reporting mechanism, with advertisements to be reported within 24 hours of issuance.

4.2.1.2 It was also proposed that the supervisory bodies (viz. Stock exchanges for SBs including OBPPs, depositories for DPs, Investment Advisers Administration and Supervisory Body for IAs, Research Analysts Administration and Supervisory Body for RAs, Association of Mutual Funds in India for MFs/AMCs, Association of Portfolio Managers in India for PMs) would undertake post-issuance monitoring through a digital advertisement reporting system, where all regulated entities can upload their advertisement or provide a link to the same.

4.2.2 Analysis of public comments Public Comments:

4.2.2.1 The public comments received in response to the above proposal are summarized as under:

Strongly agree	Agree	Partially Agree	Disagree	Strongly Disagree	No indication	Total
31	24	14	3	3	7	82

4.2.2.2 The public comments received are largely in favour of the proposal. Major concerns are addressed below:

Public Concerns/ Suggestions:

- a. Four respondents have suggested that post issuance reporting may be done away with as it results in compliance cost. It is noted that such requirement is not there for MFs at present.
- b. Four respondents have suggested to retain the requirement of prior approval for all advertisement as it prevents irreversible harm due to misleading advertisement.
- c. A substantial number of respondents (28) have suggested that the 24-hour reporting window may be increased to longer period such as 72-hours/3 working days/one week/one month etc., citing additional compliance burden specially in cases where the advertisements are issued on holidays/weekends/festive season etc.
- d. Some respondents suggested that fixed timelines may be specified for review of the advertisement by supervisory bodies post-reporting.

SEBI's comments:

- a. In order to have regulatory oversight and timely corrective action, it is essential to have post-issue reporting. Hence, the suggestion to do away with post-issuance reporting may not be accepted.
- b. Further, the requirement of prior approval for all advertisements (except celebrity endorsements) is proposed to be done away with to reduce compliance burden on the specified regulated entities and remove unnecessary delays in processing. However, to ensure regulatory oversight, it is proposed to have post-issuance reporting.
- c. To ease compliance requirement, the suggestion related to increase in reporting timeline may be accepted. Accordingly, it is felt that a timeline of 3 working days may be specified for post-issuance reporting.

- d. The suggestion regarding fixed timelines for review of advertisement may be accepted. Accordingly, based on internal deliberations and current timelines followed by some of the supervisory bodies, a timeline of 4 working days may be prescribed.

4.2.3 Proposal for Board approval: Based on the feedback received in public consultation and subsequent discussions held internally, the following is submitted for approval of the Board:

- 4.2.3.1 Mandatory requirement for obtaining prior approval for advertisements not featuring celebrities for specified regulated entities may be done away with.
- 4.2.3.2 Supervisory bodies or the Board (if no such body has been specified by the Board for regulated entity) shall conduct post-issuance monitoring of advertisements reported by the specified regulated entities through a digital advertisement reporting system, in terms of the policy specified by the Board or Supervisory Body.
- 4.2.3.3 The regulated entities shall upload advertisements issued by them on the portal provided by the supervisory bodies promptly but not later than 3 working days of the issuance of such advertisement.
- 4.2.3.4 The supervisory body shall review the advertisement within 4 working days from the date of reporting of such advertisement by the regulated entity.

4.3 Permitting celebrity endorsements at the entity/brand level subject to prior approval and prescribed safeguards

4.3.1 Proposal in Consultation Paper:

- 4.3.1.1 To permit legitimate brand-building by regulated entities, the consultation paper proposed to permit celebrity endorsements at the entity/brand level, subject to prior approval.
- 4.3.1.2 For mitigating the risk of celebrities influencing investors in relation to specific financial products or services, it was proposed that such endorsements would not be permitted to promote or make claims regarding any specific product or service.

4.3.2 Analysis of public comments:

4.3.2.1 The public comments received in response to the above proposal are summarized as under:

Strongly agree	Agree	Partially Agree	Disagree	Strongly Disagree	No indication	Total
22	21	22	8	6	16	95

4.3.2.2 The public comments received are largely in favour of the proposal. Major concerns are addressed below:

Public Concerns/ Suggestions:

- a. Seven respondents submitted that celebrity endorsements should not be allowed as there may be a risk of investors over-relying on the celebrity rather than the product, and there may be cost disadvantage for smaller entities.
- b. Seventeen respondents suggested that one of the criteria for defining celebrities i.e. having 5 lakh follower per social media handle is too low. It was suggested to increase the threshold to 10 lakh or more.
- c. Nine respondents suggested that prior approval for celebrity endorsement should be replaced with post-facto reporting for ease of compliance.
- d. A few respondents sought detailed examples of brand level promotion vs product/ service level endorsements.
- e. Some respondents suggested that for the advertisements containing celebrity endorsements, fixed timelines may be specified for processing of the same by supervisory bodies.
- f. The definition of celebrity is broad enough to cover founders, promoters and any senior personnel employee of a regulated entity who has some significant social media presence. Internal celebrities should be able to promote and the entity businesses given that no assured returns or misleading claims are made and are in compliance with applicable regulations and contain appropriate disclosures and disclaimers.

SEBI's comments:

- a. It is observed that globally, celebrity endorsement is widely used as a tool for brand building across sectors including financial sector. Even in India, many financial service providers under other financial sector regulators routinely use celebrity advertisements. Celebrity endorsement, especially at brand level, may help deepen the reach of regulated entity and therefore of securities market. While securities market has grown substantially over the last few years, a substantial population is still outside the purview of securities market. Hence, the suggestion to remove celebrity endorsement may not be accepted.
- b. The criteria of having 5 lakh followers has been adopted from the guidelines issued by the Advertising Standards Council of India (“ASCI”). In order to completely align with the same, the criteria under CAC may be re-drafted to state that the threshold shall be as defined by ASCI from time to time.
- c. As the celebrity endorsement may have wider influence on investors, it is prudent that such advertisements are required to obtain prior approval.
- d. Examples of brand level promotion vs product/ service level endorsements would be prescriptive and non-exhaustive.
- e. The suggestion regarding fixed timelines for processing of advertisement by supervisory bodies may be accepted. Accordingly, based on internal deliberations and current timelines followed by some of the supervisory bodies, a timeline of 4 working days may be prescribed.
- f. The suggestion regarding exclusion of founders, promoters and any senior personnel of the regulated entity from the definition of celebrities may be accepted. Hence, the definition may be suitably modified to state that founders, promoters and any senior personnel of the regulated entity shall not be considered a celebrity if such persons advertise/promote the regulated entity’s products.

4.3.3 Proposal for Board approval: Based on the feedback received in public consultation and subsequent discussions held internally, the following is submitted for approval of the Board:

4.3.3.1 Regulated entities may be permitted to use celebrity endorsements at the entity/brand level, subject to prior approval. However, such endorsements would not be permitted to promote or make claims regarding any specific product or service.

4.3.3.2 For advertisements of brands of a regulated entity featuring a celebrity, supervisory bodies shall develop appropriate systems for regulated entities to submit such advertisements for approval. Such systems shall include facilities to provide acknowledgment on receipt of approval request, tracking the status of application and support for any queries/grievances of regulated entity related to the application/approval process.

4.3.3.3 The supervisory body shall process the request for approval of advertisement containing celebrity endorsement within 4 working days from the date of submission of request by the regulated entity.

4.3.3.4 The definition of “celebrity” may be suitable modified to state that founders, promoters and any senior personnel of a regulated entity shall not be considered a celebrity if such persons feature in the advertisements issued by such regulated entity.

4.4 Providing carve-out for certain communications such as educational and investor-awareness related content which does not promote any product or service of the regulated entity

4.4.1 Proposal in Consultation Paper:

4.4.1.1 To facilitate investor education and financial literacy while ensuring that such content is not used as an indirect means of product promotion, the consultation paper proposed to expressly exclude genuine educational and investor-awareness content from the scope of advertisements, where such content does not promote any product or service of the regulated entity.

4.4.1.2 It was also proposed that while issuing such communication, the regulated entities would ensure that:

- (i) branding of the entity in such communication is minimal and incidental;
- (ii) the communication does not contain any promotional call-to-action or seek to influence/induce purchase of any specific product or service;
- (iii) where the communication is funded from education and awareness funds, it should be reported to the supervisory body/Board for post-facto reporting.

4.4.1.3 In addition to educational and investor-awareness related content, the consultation paper also specified a list of communications that do not promote any product or service of the regulated entity. These, inter alia, include reports/analyses shared with existing clients or investors, lists of products or services available on the regulated entity's website/app, regulatory/statutory communications, greetings, condolences and congratulatory messages, sponsorship communications containing only the entity's name/logo without promotional claims, and other routine or factual communications.

4.4.2 Analysis of public comments:

4.4.2.1 The public comments received in response to the above proposal are summarized as under:

Strongly agree	Agree	Partially Agree	Disagree	Strongly Disagree	No indication	Total
24	36	16	1	0	5	82

4.4.2.2 The public comments received are largely in favour of the proposal.

Major concerns are addressed below:

Public Concerns/ Suggestions:

- a. Eighteen respondents submitted that "Minimal and incidental branding / no promotional intent" in educational content is subjective in nature and suggested that an objective and quantified criteria to ascertain the same may be specified.
- b. Five respondents stated that prohibition on cross-asset-class comparisons in educational content may be clashing with

genuine investor education (e.g. bonds vs fixed deposits vs equity). Accordingly, the same may be permitted for educational content.

SEBI's comments:

- a. Providing objective and quantified criteria as to what constitutes “minimal and incidental branding / no promotional intent” may be too prescriptive, leading to further interpretational issues. The terms “minimal and incidental branding / no promotional intent” are already self-explanatory and may not be elaborated. Further, any such list would be non-exhaustive.
- b. Cross asset comparison can mislead/unfairly favour one product over other. This would not be desirable. Accordingly, the suggestion may not be accepted.

4.4.3 Proposal for Board approval: Based on the feedback received in public consultation and subsequent discussions held internally, the following is submitted for approval of the Board:

4.4.3.1 It is proposed to provide a list of communications to be not considered as advertisements provided that such communications do not contain any promotional, persuasive, or solicitation oriented content. Such communications shall, inter alia, include educational or investor awareness material, reports/analyses shared with existing clients or investors, lists of products or services available on the regulated entity's website/app, regulatory/statutory communications, greetings, condolences and congratulatory messages, sponsorship communications containing only the entity's name/logo without promotional claims, and other routine or factual communications.

4.4.3.2 Such communications shall not be subject to the proposed CAC.

4.5 Permitting use of ratings/rankings assigned by PaRRVA; permitting abbreviated disclosures for short-format communications through hyperlinks to the complete disclosures; prohibitions in advertisements including use of dark patterns; and any other suggestions from public

4.5.1 Proposal in Consultation Paper:

4.5.1.1 Through the consultation paper, the following were also proposed:

4.5.1.1.1 The regulated entities would be permitted to use ratings/rankings assigned by PaRRVA, subject to specified safeguards.

4.5.1.1.2 For advertisements through short-format communication modes, given the standard character limit, the regulated entities must provide hyperlinks to complete disclosures.

4.5.1.1.3 Any entity, including any platform, shall refrain from engaging in a dark pattern as specified in Annexure I of the Guidelines for Prevention and Regulation of Dark Patterns, 2023 issued by Central Consumer Protection Authority (“CCPA”).

4.5.2 Analysis of public comments:

4.5.2.1 The public comments received in response to the above proposal are summarized as under:

Strongly agree	Agree	Partially Agree	Disagree	Strongly Disagree	No indication	Total
26	26	10	3	1	9	75

4.5.2.2 The public comments received are largely in favour of the proposal. Major concerns are addressed below:

Public Concerns/ Suggestions:

- Two respondents suggested that ratings/ rankings provided by independent agencies may be permitted until PaRRVA starts giving such services.
- One respondent suggested that clarity should be given on possible overlap between SEBI’s jurisdiction and CCPA’s jurisdiction on violation related to dark patterns.
- Seven respondents suggested to permit customer testimonials in advertisements.

SEBI’s comments:

- Use of ratings/rankings including use of superlative terms in advertisements is not allowed for specified regulated entities as per present regulatory frameworks. However, in order to enable

entities to communicate legitimate distinctions, promote transparency and encourage healthy competition while ensuring adequate safeguards to prevent exaggerated, misleading or unsubstantiated claims, it is proposed that specified regulated entities may use ratings/rankings assigned by PaRRVA. These services may be PaRRVA-exclusive as a single verification agency ensures a uniform, comparable methodology across all regulated entities.

- b. With respect to prohibition on use of dark-patterns, the draft CAC refers to guidelines issued by CCPA so that CAC doesn't need amendment each time CCPA guidelines are updated.
- c. With respect to suggestion for allowing testimonials in advertisements, it may be noted that the risk of misleading may be high in testimonials. Accordingly, the suggestion to allow testimonials may not be accepted.
- d. Based on internal discussion, it was desired that under the prohibitions specified in the draft CAC, it may also be specified that the use of adjectives such as high yield, high rated, high returns and synonyms of such words, which are vague and general without any basis may be avoided.

4.5.3 Proposal for Board approval: Based on the feedback received in public consultation and subsequent discussions held internally, the following is submitted for approval of the Board:

- 4.5.3.1 The regulated entities may be permitted to use ratings/rankings assigned by PaRRVA, subject to specified safeguards.
- 4.5.3.2 For advertisements through short-format communication modes, given the standard character limit, the regulated entities must provide hyperlinks to complete disclosures.
- 4.5.3.3 Any entity, including any platform, shall refrain from engaging in a dark pattern as specified in Annexure I of the Guidelines for Prevention and Regulation of Dark Patterns, 2023 issued by Central Consumer Protection Authority ("CCPA").

4.5.3.4 Under the prohibitions specified in the draft CAC, it may also be specified that the use of adjectives such as high yield, high rated, high returns and synonyms of such words, which are vague and general without any basis may be avoided.

4.6 Amendment to Intermediaries Regulations and MF Regulations

4.6.1.1 The CAC is proposed to be inserted under a new chapter under Intermediaries Regulations. Further, consequential amendments to Regulation 28, 81(I) and Fifth Schedule of MF Regulations are also proposed.

4.6.1.2 The draft provisions of CAC to be inserted under Intermediaries Regulations are placed at **Annexure-C**. The draft notification of Intermediaries Regulations is placed at **Annexure-D**. The present and proposed provisions of regulation 28, 81(I) and Fifth Schedule of MF Regulations are placed at **Annexure-E**. The draft notification of MF Regulations is placed at **Annexure-F**.

5. Proposal for consideration:

5.1. The Board is requested to:

5.1.1. consider and approve the recommendations stated at paragraph 4.1.3, 4.2.3, 4.3.3, 4.4.3, 4.5.3 and 4.6 to suitably amend the Intermediaries Regulations and MF Regulations.

5.1.2. authorize the Chairperson to take necessary steps to implement the proposals including notification of amendments, issuing circulars, wherever necessary with consequential and appropriate changes, as may be required.

Encl.:

Annexure-A – Consultation Paper on “Common Advertisement Code for Specified SEBI Regulated Entities”

Annexure-B – (This has been excised for reasons of confidentiality.)

Annexure-C – Draft provisions of CAC under Intermediaries Regulations

Annexure-D – Draft notification of Intermediaries Regulations

Annexure-E – Present and proposed provisions of MF Regulations

Annexure-F – Draft notification of MF Regulations

Annexure-A

(Available on SEBI Website www.sebi.gov.in under the head “Reports & Statistics”>>“Reports”>>“Reports for Public Comments”)

Annexure-B

(This has been excised for reasons of confidentiality.)

Annexure-C

(Amendments shall be notified after following the due process.)

Annexure-D

(Amendments shall be notified after following the due process.)

Annexure-E

(Amendments shall be notified after following the due process.)

Annexure-F

(Amendments shall be notified after following the due process.)