

Inspection Department

Ref No: MSEI/INSP/4711/2016

November 21, 2016

Sub: Revised Guidelines and Code of Advertisement for Stock Brokers

In terms of the provision of Rules, Byelaws and Regulations of the Metropolitan Stock Exchange of India Ltd. (Exchange), the Members of the Exchange are notified as under:

Based on communication received from SEBI, the Exchange vide circular no. MSEI/INSP/3674/2015 dated December 21, 2015 had communicated the guidelines to the Trading Members regarding Schemes/Leagues/Competitions Launched by Registered Stock Brokers.

SEBI now vide its letter no. MIRSD-2/OW/30292/2016 dated November 3, 2016, has partially modified the said Guidelines has advised to ensure strict compliance with following requirements;

- a. Stock Broker or its associates/group company cannot directly or indirectly, sponsor or be associated with any schemes/leagues/competition, etc. which may involve distribution of monies/prizes/gifts/medals, etc.
- b. No reference to Stock Broker's name, logo etc. can be made in any schemes/leagues/competition, etc.
- c. Stock Broker cannot 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.
- d. Stock Broker cannot take any financial liability, including any contingent financial liability, on account of any schemes/leagues/competitions, etc. launched by a third party.

Further, SEBI has also prescribed the revised Code of Advertisement, enclosed as Annexure -A.

Members are advised to take note of the same and ensure compliance

Kirit Dodiya
Vice President – Inspection

Encl: SEBI Revised Coded of Advertisement.

In case of any query, members may contact the Compliance team on compliancemsx@msei.in

Metropolitan Stock Exchange of India Limited

(Formerly known as MCX Stock Exchange Ltd.)