

Department: Inspection	Segment: All
Circular No: MSE/INSP/18349/2025	Date: December 23, 2025

Subject: Distribution of third-party products by Trading Members

To All Members,

This is with reference to Exchange Circular Ref No. MSE/INSP/17358/2025 dated June 17, 2025, on “Distribution of Third-Party Products by Trading Members”. Clause (m) of the said Circular states as under:

“Brokers shall engage only in the lending products which are permitted by SEBI from time to time, such as MTF and T+1+5 funding.”

Subsequently, SEBI issued FAQs on Regulatory Provisions for Research Analysts through Circular Ref. No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/105 dated July 23, 2025. Point 31(iii) of the FAQs clarifies:

“RA/research entity may carry out distribution of other products (such as banking products) not under purview of SEBI to their clients at family/group level. Any grievances related to such products shall not come under purview of SEBI.”

It has been observed that the trading members, who are also registered as research analysts, are carrying out distribution of Banking Products related to various types of loans.

In view of the above, it is hereby clarified that Stock Brokers, even if they are registered as research analysts, shall comply with the guidelines in respect of distribution/offering of third-party products as prescribed in the Exchange Circular Ref No. MSE/INSP/17358/2025 dated June 17, 2025. As per the said framework, it is reiterated that Stockbrokers are not permitted to engage (as distributors) in any lending products (such as Home Loan, Vehicle Loan, Personal Loan, Education Loan, LAS etc.) other than those specifically permitted by SEBI from time to time.

Metropolitan Stock Exchange of India Limited



All Members are advised to take note of the above & comply.

In case of any query kindly contact Inspection Department on (022) 6112 9000, Extn. 9039, 9040, 9041, 9042 & 9078 or mail on 'compliancemsx@msei.in' or 'inspectionmsx@msei.in'.

For and on behalf of
Metropolitan Stock Exchange of India Limited

Sunil Shendge
Manager – Inspection Department