

SEBI Inserts Common Advertisement Code in the Intermediaries Regulations

The Securities and Exchange Board of India (SEBI), vide the **Securities and Exchange Board of India (Intermediaries) (Second Amendment) Regulations, 2026 (F. No. SEBI/LAD-NRO/GN/2026/323) dated October 8, 2026**, has inserted a new Chapter IIID titled “Common Advertisement Code” (Regulations 16G to 16Q) in the SEBI (Intermediaries) Regulations, 2008. The Regulations were published in the Gazette of India (Extraordinary) on October 9, 2026 and come into force on the one hundred eightieth day from the date of publication.

Analysis

- The Code applies to all advertisements issued by regulated entities in respect of products or services under SEBI’s purview. Regulated entities are stock brokers, depository participants, online bond platform providers, investment advisers, research analysts, mutual funds, asset management companies and portfolio managers, along with other entities SEBI may specify.
- “Advertisement” is defined widely to cover any communication, endorsement or representation, in any form and through any channel (print, broadcast, digital or outdoor), issued directly or indirectly by or on behalf of a regulated entity to promote, invite or solicit in respect of a product, service or brand.
- “Celebrity” includes top-50 persons in a recent celebrity index, lead actors, sportspersons who have represented their country, TV hosts, popular competition winners, influencers above the ASCI follower threshold and virtual influencers. Founders, directors and senior management appearing in their own entity’s advertisements are excluded.
- Every advertisement must carry the entity’s name, SEBI registration number, logo (if any) and the prescribed disclaimers. Short-format messages such as SMS may instead link to these details on the entity’s website.
- Educational content, research reports shared with existing clients, product lists, responses to client queries, greetings, recruitment notices and feedback surveys are not advertisements, provided they do not promote or solicit.
- Celebrities may endorse an entity only at brand or entity level, without any inducement or claim about a specific product. Celebrity advertisements need prior approval of the supervisory body (or SEBI), and the cost cannot be passed on to clients or charged to a mutual fund scheme.



- Advertisements must be true, fair, accurate and complete. Example securities must carry the prescribed disclaimer on the same page or frame, and data or charts must disclose their source and period.
- Incentives, vouchers, coupons, tokens and dark patterns are prohibited. Only ratings by a Past Risk and Return Verification Agency may be used. If a third party advertises without consent, the entity must act within seven days and disclose the incident on its website.
- Advertisements must not contain guaranteed, risk-free or fixed return promises (subject to carve-outs), testimonials, disparagement of other entities, vague terms such as “high returns”, or unwarranted references to past performance.
- SEBI may act under Chapter V of the Intermediaries Regulations for violations and may direct supervisory bodies to act.

Key Takeaways

- SEBI has introduced a single Common Advertisement Code for all specified regulated entities.
- Celebrity advertisements require prior supervisory body (or SEBI) approval, and the costs cannot be passed on to clients.
- Advertisements must carry mandatory details and disclaimers, and must avoid guaranteed returns, testimonials and vague return claims.
- Inducements and dark patterns are prohibited, and unauthorised third-party advertisements must be acted on within seven days.
- The Regulations come into force on the 180th day from publication in the Gazette.
- The Regulations have been made under Section 30 of the SEBI Act, 1992.
- The notification is attached herein.

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