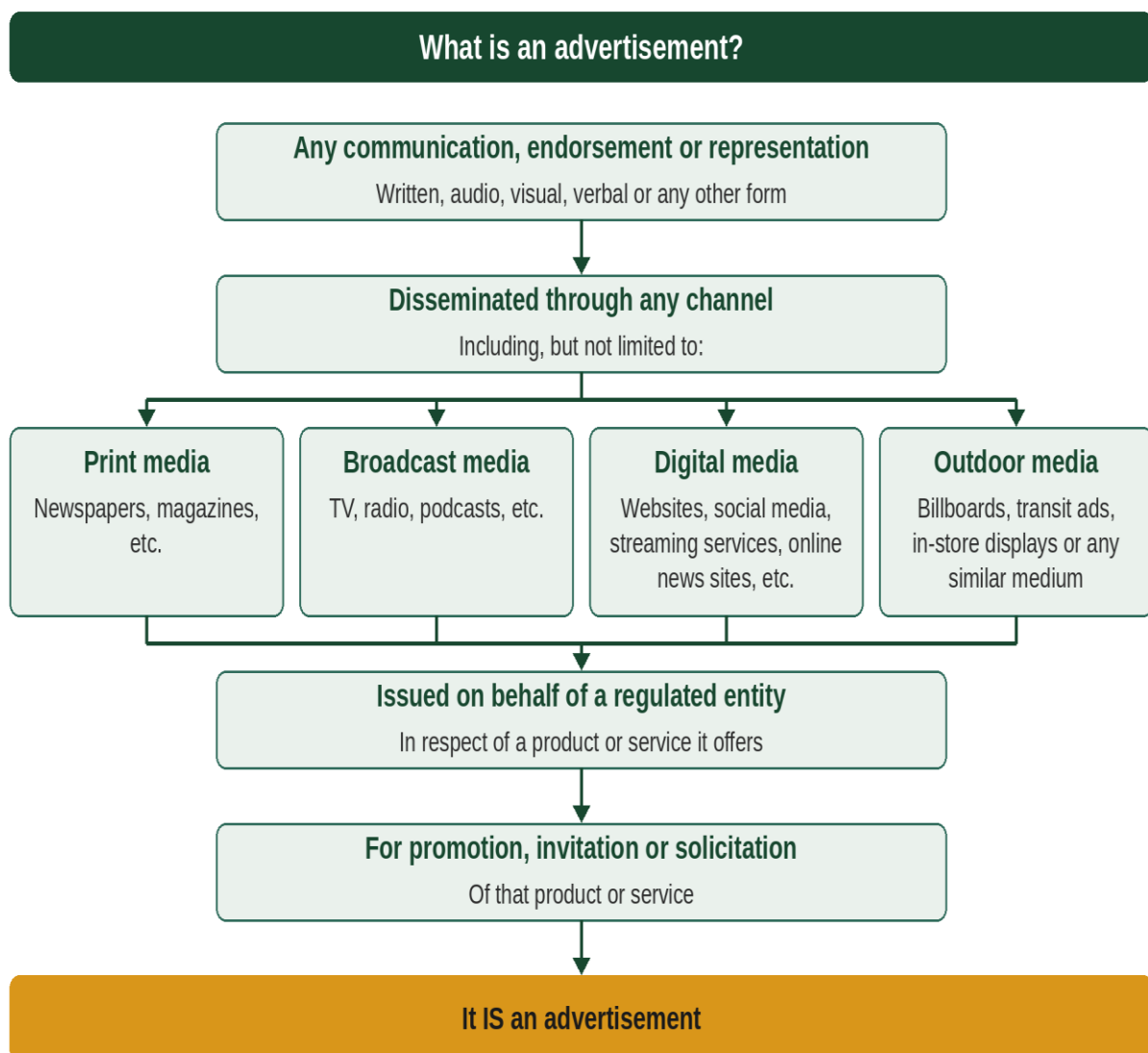


LIGHTS, CAMERA, COMPLIANCE: SEBI'S NEW ADVERTISEMENT CODE

Until now, advertisements by market intermediaries were governed by a patchwork of codes spread across regulations, master circulars and circulars of numerous supervisory bodies. The Securities and Exchange Board of India ("**SEBI**"), vide its notification dated October 8, 2026, has now replaced this with a single framework introduced in the SEBI (Intermediaries) Regulations, 2008 ("**Regulation(s)**"). The [Common Advertisement Code](#) (the "**Code**") under the Regulations permits celebrity endorsements at brand level, restricts prior approval to celebrity advertisements, and sets out compliance requirements for all advertisements. The Code will come into force on April 7, 2027.

1. WHAT IS AN ADVERTISEMENT ("AD(S)")?

Regulation 16G(1) defines an advertisement widely and lays down a non-exhaustive list of forms of media that come under the purview of SEBI.



2. WHAT IS NOT AN ADVERTISEMENT?

Regulation 16J carves out twelve categories of communications that are not considered Ads.

Communications that are NOT an advertisement		
Educational or informational content Imparting financial knowledge, training or information	Research reports and analyses Shared with existing clients not containing claims of performance of the regulated entity	List of products and services Factual summary of products and services listed on the entity's website
Communication with clients Essential communication arising out of regulatory requirement	Replies to client requests Communication in response to a request by a client	Basic entity facts Name, logo, website, app, description of the nature of the activities of the entity
Product demonstrations Webinars, walk-throughs showing features; must not promote or sell	Greetings Condolences or congratulatory messages	Notices For recruitment or availing third party services; not aimed towards clients
Sponsorship TV, talk shows, events communicating generic information of the entity such as name, logo and website	Feedback surveys To registered clients or investors	Other communications Any further category the Board may prescribe
OVERRIDING TEST: If it promotes a product or service, or invites interest in one, it IS an advertisement.		

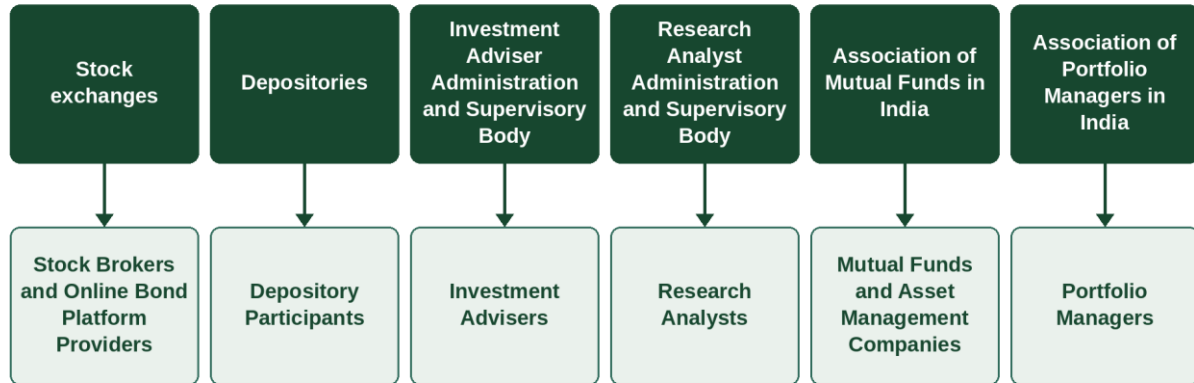
Notably, for communications that are educational or informational in nature, branding shall be minimal and incidental, and such communications shall not contain any promotional call-to-action to induce a purchase decision for a specific product or service provided by the regulated entity. Where the cost of such communication is borne out of funds earmarked for education and awareness, it must be reported to the supervisory body or SEBI for post facto monitoring.

According to Regulation 16J(2), any communication that promotes products or services, or solicits interest in them, is an Ad.

3. WHAT IS A REGULATED ENTITY (“RE”) AND A SUPERVISORY BODY (“SB”)?

Regulations 16G(3) and (4) define “regulated entity” and “supervisory body”, respectively. The term “regulated entity” covers eight categories of market intermediaries, and each category answers to a supervisory body, which is the authority that approves celebrity Ads and receives compliance reports on such Ads.

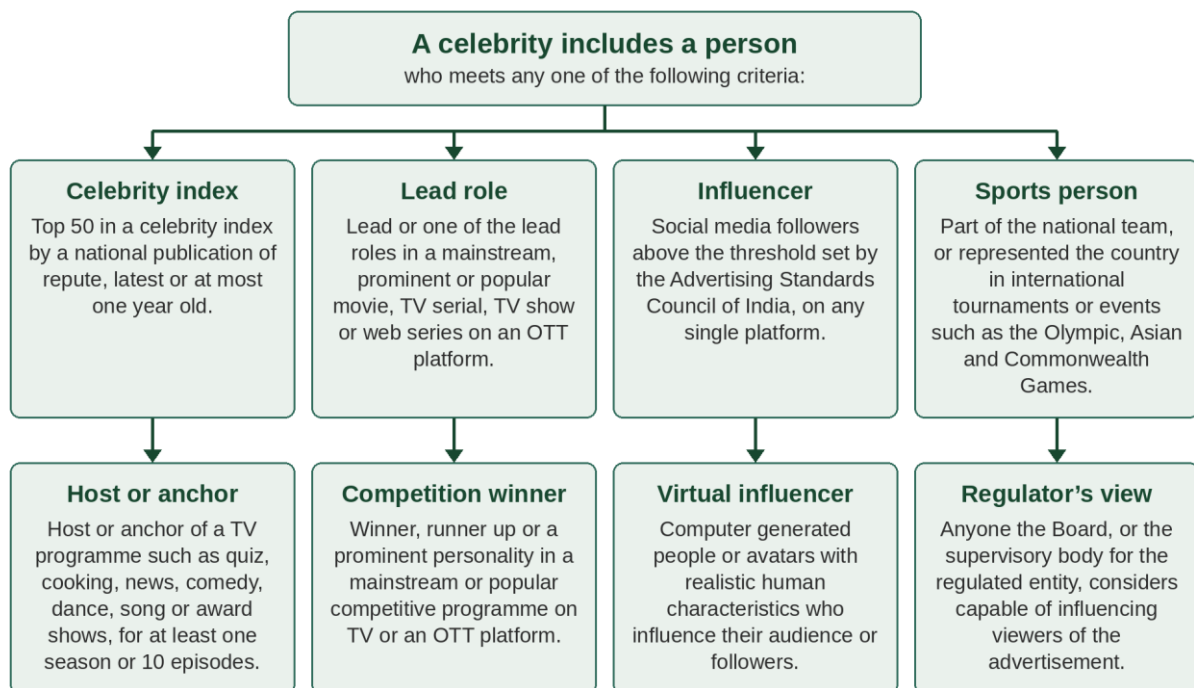
SUPERVISORY BODIES AND THE REGULATED ENTITIES THEY OVERSEE



Regulation 16H states that the provisions of the Code shall apply to all Ads issued by an RE in respect of products or services under the purview of SEBI.

4. WHO IS A CELEBRITY?

Regulation 16G(2) defines “celebrity” and lays down eight criteria, any one of which makes a person a celebrity.



The term “celebrity” shall not include any founder, promoter, director, key managerial personnel or senior management personnel of the RE where such person appears in that entity’s own Ad.

Celebrity Endorsements: Prior approval is now required only for Ads featuring a celebrity. Regulation 16K governs the criteria for celebrity endorsements and states that:

- a. Every person satisfying the applicable conditions to qualify as a celebrity shall be allowed to endorse the RE at the brand or entity level; these endorsements may include the name of the product or service offered but shall not include any inducement or claim regarding any specific product or service. The Ads shall include relevant disclaimers wherever necessary.
- b. Prior approval from the SB or SEBI (where no SB is specified) must be obtained.
- c. Expenses incurred on celebrity endorsements shall not be passed on to the clients or charged to any scheme of a mutual fund.

5. REGULATIONS GOVERNING ADVERTISEMENTS

Beyond defining what counts as an Ad, the Code sets common conduct standards that every RE must follow, whatever its category. The table below summarises the five areas covered: mandatory disclosures and disclaimers, general obligations, the bar on dark patterns, the rules on using ratings and rankings, and the content that is prohibited.

S.No.	Provision and Regulation	Requirement
1.	Mandatory Disclosures and Disclaimers (Regulation 16I)	<p>All Ads shall display the following:</p> <ol style="list-style-type: none"> a. Details relating to the name, the SEBI registration number, and the logo of the RE. b. Disclaimers as specified by SEBI. <p>Where the Ad is a short-format message (for example, SMS or pop-ups) and there is a restriction on display of the said information due to character limitations, a hyperlink to such details on the official website of the RE shall be provided.</p>
2.	General Obligations of the RE (Regulation 16L)	<p>The RE shall ensure compliance with the following:</p> <ol style="list-style-type: none"> a. Ads shall be true, fair, accurate, complete and unambiguous. b. Ads shall not be designed in a way likely to be misunderstood or to disguise the significance of any statement. c. Ads shall not be framed in a way which exploits the lack of experience or knowledge of the investors, and shall not extensively use technical or complex language. d. Where specific securities or schemes are displayed or communicated as examples, the disclaimer "The securities or scheme(s) are quoted as an example and not as a recommendation" must appear on the same page of the written creative or frame of the video, and not at the end. e. Statistical data, graphs and charts must be backed by sources and dates, which must be disclosed alongside them. f. No incentives, vouchers, coupons, monetary certificates, tokens or subscription plans shall be

S.No.	Provision and Regulation	Requirement
		<p>offered to clients to induce trading or the use of services, to activate inactive client accounts, to invest in any schemes, or to download mobile applications, etc.</p> <p>g. A suspended RE must not issue any Ad, directly or indirectly, either singly or jointly with another RE, during the suspension.</p> <p>h. Any other obligations specified by SEBI, or by the SB in consultation with SEBI, from time to time.</p> <p>In case any third party has issued an Ad on any platform without the consent of the RE, the RE shall initiate appropriate legal action, inform the SB of the action and its outcome, and display details of such incidents on its official website.</p>
3.	Prohibition of Dark Patterns (Regulation 16M)	The RE shall refrain from engaging in any dark pattern specified in Annexure I to the Guidelines for Prevention and Regulation of Dark Patterns, 2023 issued by the Central Consumer Protection Authority.
4.	Ratings and Rankings (Regulation 16N)	<p>An RE may use in an Ad only ratings or rankings assigned by a Past Risk and Return Verification Agency (“Agency”), subject to the conditions below:</p> <p>a. The ratings and rankings shall be properly explained either in the Ad itself or by reference to the Agency’s or the RE’s website.</p> <p>b. The Ad shall state that the ratings and rankings are only one of the factors to be considered while deciding to avail the product or service.</p> <p>c. Such ratings and rankings shall come from a survey conducted by the Agency covering all relevant market participants within the category concerned.</p> <p>d. Any other conditions prescribed by SEBI.</p>
5.	Prohibitions in Ads (Regulation 16O)	<p>An Ad shall not contain the following:</p> <p>a. Any false, misleading or deceptive content based on assumptions and testimonials.</p> <p>b. Anything that gives assurance of any guaranteed or risk-free returns.</p> <p>c. Any assurance or promise of fixed returns (except in the case of Online Bond Platform Providers).</p> <p>d. Any content that disparages other REs or their products or services, or that involves unfair comparison or imitation.</p>

S.No.	Provision and Regulation	Requirement
		<ul style="list-style-type: none"> e. Any content that compares different products or asset classes so as to mislead the audience. f. Any exploitative content taking advantage of the lack of experience of the audience. g. Any exaggerated slogan or statement. h. Representation of the Board, Market Infrastructure Institutions or other such reputed organisations. i. Any reference to past performance unless done in the manner specified by the Board. j. Any indecent, vulgar or offensive content. k. Adjectives or synonyms of such adjectives which are vague and generally without any basis (for example, "high yield"). l. Anything prohibited for publication or communication under law. m. Any other prohibitions as specified by the Board.

6. NON-COMPLIANCE AND REPORTING REQUIREMENTS

- Regulation 16Q governs action for non-compliance: In case of violation of any of the provisions of the Code or any circular issued thereunder, SEBI may act in accordance with Chapter V of the Regulations or any other applicable law. It may also direct the SBs to take appropriate action under the Regulations.
- Regulation 16P governs the reporting requirements: The reporting requirements for an Ad issued by an RE shall be as specified by SEBI from time to time.

7. CONCLUSION

The Code consolidates a fragmented set of Ad rules into one code and relaxes the most commonly criticized friction point, prior approval, while keeping a tighter hold on the higher risk area of celebrity endorsements. Entities can expect a lighter route to market for ordinary Ads, balanced by reporting and enforcement mechanisms that are yet to take shape.

However, several operational details remain to be addressed by SEBI: the design of the SBs' digital reporting systems, entity-specific circulars and disclaimers, any standards for mutual fund distributors, and how the brand-level versus product-level line is applied in practice. Entities should review their Ad approval workflows and any planned celebrity campaigns against the notified text before the Code comes into force.
