



REGULATORY UPDATES

SEBI NOTIFIES COMMON ADVERTISEMENT CODE
FOR INTERMEDIARIES



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BACKGROUND:

SEBI via its Notification dated 08 October 2026, has introduced a new **Chapter IIID** in the SEBI (Intermediaries) Regulations, 2008 establishing the **Common Advertisement Code (“CAC”)** to prescribe a uniform advertising framework for regulated entities, including stockbrokers, depository participants, online bond platforms, investment advisers, research analysts, mutual funds, AMCs and portfolio managers.

The notification aims to harmonise the advertising requirements applicable to aforementioned entities and simplify the regulatory framework by replacing existing entity-specific and stock exchange-specific advertisement codes with a unified Common Advertisement Code.

APPLICABILITY:

The provisions of this notification shall be effective from **180th day** from the date of publication in the official gazette.

KEY HIGHLIGHTS:

WHAT COUNTS AS AN ADVERTISEMENT?

Any communication that promotes any such product or service or solicits interest in availing of the same shall be considered an advertisement.

Accordingly, advertisement includes any form of communication, endorsement or representation (written, audio, visual, verbal or in any other form), disseminated through any channel [e.g. print media (newspapers, magazines, etc.), broadcast media (TV, radio, podcasts, etc.), digital media (websites, social media, streaming services, online news sites, etc.), outdoor media (billboards, transit ads, in-store displays) or any

similar medium], issued directly or indirectly by or on behalf of a regulated entity, in connection with or having the primary effect of promoting, inviting or soliciting interest in any product or service offered by the regulated entity, or promoting a brand or entity.

COMMUNICATIONS THAT ARE NOT ADVERTISEMENTS:

Genuine investor education, factual product lists, client communications, research reports, basic entity information and other specified communications are excluded, provided they do not promote products or solicit business. The following communications are not considered advertisements:

- **Educational or informational content** meant to impart financial knowledge provided branding of the regulated entity shall be minimal and incidental, with no promotional call-to-action and no nudging toward a specific product. If the cost towards such communication borne out of funds earmarked for investor education and awareness, it must be reported to the supervisory body or SEBI for post facto monitoring.
- **Research reports or recommendations or analyses** shared with existing clients that make no claims about the regulated entity's own performance.
- **Product or service lists**, including those on a website or app, if they give factual summaries about the product or services.
- **Essential communication** with existing clients or investors arising out of regulatory requirement.
- **Replies** to a client's or prospects or investor's request for information about any product or service.
- **Basic information about regulated entity:** Name, brand logo, website, app, and a description of nature of its activities
- **Product demos** (webinars, walk-throughs), if they don't promote product or services or solicit interest to avail any product or service of the regulated entity.
- **Greetings**, condolences and congratulatory messages.
- **Recruitment notices** and invitations for third-party services, provided they don't target clients or prospective clients or investors.



- **Sponsorship** of TV shows or talk shows and events communicating generic information about regulated entity and is only limited to sponsorship.
- **Feedback surveys** sent to registered clients or investors.
- any other communication as may be specified by SEBI from time to time.

CELEBRITY ENDORSEMENTS:

- **Permitted Endorsements:** The celebrities shall be allowed to endorse the regulated entity at the brand level or the entity level.
- **Product References:** Such endorsements may include the name of products or services offered by a regulated entity but may not include any inducement or claim directly or indirectly regarding any specific product or service.
- **Prior Approval:** Any advertisement featuring celebrity shall be issued only with the prior approval from supervisory body or SEBI (if no such body has been specified by the SEBI for regulated entity).
- **Restriction on Cost Recovery:** Expenses incurred towards celebrity endorsements shall not be passed on to the clients or charged to the scheme of the mutual fund.
- **Mandatory Disclaimers:** Such advertisements shall include the relevant disclaimers as may be specified.

WHO QUALIFIES AS A CELEBRITY?

Exclusion: *A founder, promoter, director, key managerial personnel or senior management personnel of a regulated entity is **not a “Celebrity”** issuing or causing the advertisement, when such an individual appears in that advertisement.*

Subject to this exception, the term “Celebrity” is defined broadly to include individuals who may influence public opinion, such as:

- people in the **top 50 ranking of a recent celebrity index** published by a national publication of repute. The celebrity index should be latest available or at the most one-year old;
- **lead actors** in mainstream movies, TV serials, TV shows, web-series on any of the OTT platforms;

- **influencers** having a social media following of 500,000 or more (as specified by ASCI) on any single social media platform;
- national or international **sportspersons**
- **hosts or anchors** for any TV program such as quizzes, cooking shows, news channels, comedy shows, dance shows, song shows, award functions or such other entertainment programs for at least one season or for a minimum of 10 episodes.
- reality or competition **winners and runners-up**
- **virtual influencers** (fictional computer generated ‘people’ or avatars who have the realistic characteristics, features and personalities of humans) that bears influence on their audience or followers
- any other person SEBI or supervisory body considers capable of influencing the opinion of viewers of the Advertisement.

USE OF RATINGS OR RANKINGS IN ADVERTISEMENTS

Regulated entities may use only ratings or rankings assigned by a Past Risk and Return Verification Agency in the advertisement, provided they explain the methodology or link to further details, clarify that ratings or rankings are only one of the factors in decision-making, ensure ratings are based on comprehensive and objective market studies, and comply with any additional conditions specified by SEBI.

MANDATORY DISCLOSURES AND DISCLAIMERS:

All advertisements shall contain the following information:

- **Basic Details:** The **name** of the regulated entity, its **SEBI registration number** and its **logo**, if any.
- **Mandatory Disclaimers:** All disclaimers as specified by SEBI from time to time shall be displayed or communicated in the manner specified by SEBI.

Exception for Short-Format Advertisements:

Short-format advertisements may provide a [hyperlink](#) to these details where character limits prevent their inclusion.



PROHIBITION ON USE OF DARK PATTERNS

The regulated entity shall refrain from engaging in a dark pattern. These dark patterns include, but are not limited to False Urgency, Basket sneaking, Confirm shaming, Forced action, Subscription trap, Interface interference, Bait and switch, Drip pricing, Disguised advertisement, Nagging, Trick Question, Saas Billing, and Rogue Malwares.

For more details, please refer to the Guidelines for Prevention and Regulation of Dark Patterns, 2023, issued by the Central Consumer Protection Authority (CCPA):

https://ccpa.doca.gov.in/files/The%20Guidelines%20for%20Prevention%20and%20Regulation%20of%20Dark%20Patterns%2C%202023_1732707717.pdf

GENERAL OBLIGATIONS:

- **Accuracy and Fairness:** Advertisements must be truthful, fair, accurate, complete and unambiguous.
- **Clear Communication:** Advertisements must not mislead investors or obscure the significance of any statement.
- **Investor Protection:** Advertisements must not exploit investors' lack of knowledge or experience.
- **Simple Language:** Advertisements must avoid excessive technical or legal jargon, complex language and unnecessary details that may confuse investors.
- **Mandatory Disclaimer:** Where specific securities or schemes are shown as examples, the disclaimer i.e. **"The securities or scheme(s) are quoted as an example and not as a recommendation"** must appear on the same page or video frame, not at the end of the advertisement.
- **Data Transparency:** Statistical data, graphs and charts must include their sources and the relevant date or period.
- **Prohibition on Inducements:** Regulated entities shall refrain from offering any incentives, vouchers, coupons, tokens or similar benefits to induce trading, service usage, account activation, investments or app downloads.



- **Advertising During Suspension:** Suspended regulated entities must not issue advertisements, directly or indirectly, individually or jointly with another regulated entity.
- **Additional Obligations:** Regulated entities must comply with any further requirements specified by SEBI or the supervisory body in consultation with SEBI from time to time.
- **Action Against Unauthorised Advertisements:** Regulated entities must take appropriate action, including legal action, within seven days of becoming aware of unauthorised third-party advertisements, while informing the supervisory body.
- **Reporting and Disclosure:** Regulated entities must inform the supervisory body of the action taken and its outcome, and prominently disclose the incident, the third party's details and the action taken against them on their website.

CONCLUSION:

The Common Advertisement Code aims to standardise advertising practices across regulated entities, strengthen investor protection, improve transparency and accountability, and curb misleading or manipulative promotional practices.

For more details, please refer to the SEBI Notification dated 08 October 2026:

https://www.sebi.gov.in/legal/regulations/oct-2026/securities-and-exchange-board-of-india-intermediaries-second-amendment-regulations-2026_105152.html

DISCLAIMER: - The summary information herein is based on the Notification issued by SEBI dated 08 October 2026. While the information is believed to be accurate, we make no representations or warranties, express or implied, as to the accuracy or completeness of it. Readers should conduct and rely upon their own examination and analysis and are advised to seek their own professional advice. This note is not an offer, advice or solicitation. We accept no responsibility for any errors it may contain, whether caused by negligence or otherwise or for any loss, howsoever caused or sustained, by the person who relies upon it.

CONTACT US

NOIDA OFFICE



DPNC GLOBAL LLP

Windsor Grand, 15th Floor,
Plot No. 1C, Sector-126,
Noida-201303, Uttar Pradesh



+91.120.6456990



dpnc@dpncglobal.com



<https://dpncglobal.com/>

GURGAON OFFICE

DPNC GLOBAL LLP

120, Vipul Business Park,
Sector-48, Sohna Road,
Gurugram, Haryana-122018

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