

National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/55766	Date: February 24, 2023
Circular Ref. No: 51/2023	

To All NSE Members

Sub: Caution towards dealing with unsolicited videos and messages circulated in social media - Update

This is with reference to the Exchange Circular NSE/INVG/54165 dated October 21, 2022.

Exchanges have been receiving multiple references where messages / videos are being circulated with recommendations to deal in certain scrips. Such recommendations are being circulated to investors by unregistered or unauthorised entities inducing them to deal in these stocks. The circulation of such posts is not only detrimental to the interest of the investors but also adversely affects the integrity of the securities market.

In this regard, discussions were held in the recent meeting of SEBI with Stock Exchanges. Based on the unusual price / volume variation / trading concentration and other factors such scrips may be shortlisted for surveillance action similar to GSM Stage IV. i.e.

1. Trade for Trade with price band of 5% or lower as applicable **and**
2. Trading permitted once a week (Every Monday / 1st trading day of the week) **and**
3. ASD (100% of trade value) to be deposited by the buyers with no upward movement.

Additionally, name of the scrip will be made available in “Investors Beware” page on the Exchange website as per web page link given below:

(<https://www.nseindia.com/regulations/unsolicited-messages-report>)

It may be noted that the shortlisting of securities in the above mechanism is purely on account of market surveillance, and it should not be construed as an adverse action against the concerned company.

This surveillance action will be effective from February 27,2023.

Trading members are advised to monitor unusual trading pattern by any of their clients / group of clients having significant selling / trading / dealing concentration in relation to circulation of such videos / messages. Trading members are also required to educate their clients / investors by way of social media / SMS campaigns / mailers, etc. advising clients / investors to beware of unregistered Investment advisors, offering assured returns and seeking trading credentials.

Any non-compliance in the matter shall be viewed seriously and may attract further action which may inter alia include disciplinary action as deemed fit in terms of Rules, Byelaws and Regulations of the Exchange provided the facts and circumstances so demand.

The aforesaid measure is without prejudice to the rights of SEBI and Exchanges to take any further actions, in any manner, as may be warranted.

Further, market participants are aware that Exchange has provided facility to share their information or evidence of systemic wrongdoing, potential frauds or unethical behaviour to the Exchange through the anonymous portal as per web page link given below:

(<https://www.nseindia.com/submit-tipoff>)

The Exchange has also provided a facility to report unsolicited stock tip / recommendation on +91 8291833676 or on designated email id i.e., feedbk_invg@nse.co.in.

Market participants are advised to use facility to report any such information anonymously and confidentially.

Members are advised to exercise caution and take note of the above and ensure compliance with aforementioned requirements, as may be applicable from time to time.

In case of any clarification, members may contact on +91 22-26598417/18.

**For and on behalf of
National Stock Exchange of India Limited**

**Sareesh Koroath
Chief Manager
Investigation**