

CIRCULAR

SEBI/HO/IMD/IMD-II CIS/P/CIR/2021/0685

December 13, 2021

To,

All Research Analysts

Dear Sir / Madam,

**Subject: Publishing of Investor Charter and disclosure of Investor Complaints
by Research Analysts on their websites/mobile applications**

1. In order to facilitate investor awareness about various activities which an investor deals with while availing the services provided by research analysts, SEBI has developed an Investor Charter for Research Analysts. This Charter is a brief document containing details of services provided to investors, their rights, dos and don'ts, responsibilities, investor grievance handling mechanism and estimated timelines thereof etc., at one single place, in a lucid language, for ease of reference.
2. All registered Research Analysts are advised to bring to the notice of their clients the Investor Charter as provided at **Annexure- A** by prominently displaying on their websites and mobile applications. Research Analysts not having websites/mobile applications shall, as a one-time measure, send Investor Charter to the investors on their registered e-mail address.
3. Additionally, in order to enhance transparency in grievance redressal, Research Analyst (RA) shall disclose on their websites/mobile applications, all complaints including SCORES complaints received by them in the format mentioned in **Annexure- B** on a monthly basis. The information shall be made available by 07th of the

succeeding month. Research Analysts not having websites/mobile applications shall send status of Investor Complaints to the investors on their registered email on a monthly basis in compliance of this circular.

4. Further, Research Analysts are advised to display link/option to lodge complaint with them directly on their websites and mobile apps. Additionally, link to SCORES website/link to download mobile app (SEBI SCORES) may also be provided.
5. The disclosure requirements under this circular shall come into effect from **January 01, 2022**.
6. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 33 of the SEBI (Research Analysts) Regulations, 2014, to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market.
7. The circular is available on SEBI website at www.sebi.gov.in under the categories "Info for – Research Analysts" and "Legal framework - Circulars".

Yours faithfully,

Dipanjan Mitra
Deputy General Manager
Tel: 022-26449204
Email: dipanjanm@sebi.gov.in

Annexure- A

Investor Charter in respect of Research Analyst (RA)

A. Vision and Mission Statements for investors.

• Vision

Invest with knowledge & safety.

• Mission

Every investor should be able to invest in right investment products based on their needs, manage and monitor them to meet their goals, access reports and enjoy financial wellness.

B. Details of business transacted by the Research Analyst with respect to the investors.

- To publish research report based on the research activities of the RA.
- To provide an independent unbiased view on securities.
- To offer unbiased recommendation, disclosing the financial interests in recommended securities.
- To provide research recommendation, based on analysis of publicly available information and known observations.
- To conduct audit annually.

C. Details of services provided to investors (No Indicative Timelines)

- Onboarding of Clients.
- Disclosure to Clients
 - To distribute research reports and recommendations to the clients without discrimination.

- To maintain confidentiality w.r.t publication of the research report until made available in the public domain.

D. Details of grievance redressal mechanism and how to access it

In case of any grievance / complaint, an investor should approach the concerned research analyst and shall ensure that the grievance is resolved within 30 days.

If the investor's complaint is not redressed satisfactorily, one may lodge a complaint with SEBI on SEBI's SCORES portal which is a centralized web based complaints redressal system. SEBI takes up the complaints registered via SCORES with the concerned intermediary for timely redressal. SCORES facilitates tracking the status of the complaint.

With regard to physical complaints, investors may send their complaints to: Office of Investor Assistance and Education, Securities and Exchange Board of India, SEBI Bhavan. Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

E. Expectations from the investors (Responsibilities of investors).

- **Do's**
 - i. Always deal with SEBI registered Research Analyst.
 - ii. Ensure that the Research Analyst has a valid registration certificate.
 - iii. Check for SEBI registration number.
 - iv. Please refer to the list of all SEBI registered Research Analysts which is available on SEBI website in the following link:
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=14>



)

- v. Always pay attention towards disclosures made in the research reports before investing.
- vi. Pay your Research Analyst through banking channels only and maintain duly signed receipts mentioning the details of your payments.
- vii. Before buying securities or applying in public offer, check for the research recommendation provided by your research Analyst.
- viii. Ask all relevant questions and clear your doubts with your Research Analyst before acting on the recommendation.
- ix. Inform SEBI about Research Analyst offering assured or guaranteed returns.

• **Don'ts**

- i. Do not provide funds for investment to the Research Analyst.
- ii. Don't fall prey to luring advertisements or market rumours.
- iii. Do not get attracted to limited period discount or other incentive, gifts, etc. offered by Research Analyst.
- iv. Do not share login credentials and password of your trading and demat accounts with the Research Analyst.

Annexure- B

Complaint Data to be displayed by RAs

Formats for investors complaints data to be disclosed monthly by RAs on their website/mobile application:

Data for the month ending - _____

Sr. No.	Received from	Pending at the end of last month	Received	Resolved*	Total Pending#	Pending complaints > 3months	Average Resolution time^ (in days)
1	Directly from Investors						
2	SEBI (SCORE S)						
3	Other Sources (if any)						
	Grand Total						

^ Average Resolution time is the sum total of time taken to resolve each complaint in days, in the current month divided by total number of complaints resolved in the current month.

Trend of monthly disposal of complaints

Sr. No.	Month	Carried forward from previous month	Received	Resolved*	Pending#
1	April, YYYY				
2	May, YYYY				
3	June, YYYY				
4				
5	March, YYYY				
	Grand Total				

*Inclusive of complaints of previous months resolved in the current month.

#Inclusive of complaints pending as on the last day of the month.

Trend of annual disposal of complaints

SN	Year	Carried forward from previous year	Received	Resolved*	Pending#
1	2018-19				
2	2019-20				
3	2020-21				
	Grand Total				

*Inclusive of complaints of previous years resolved in the current year.

#Inclusive of complaints pending as on the last day of the year.