भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

Cir/ OIAE / IAD / 01 /2010 November 01, 2010

To

All Investor Associations recognised by SEBI

Dear Sir/Madam,

Sub: Code of Conduct for Investor Associations (IAs)

1. In consultation with SEBI recognised Investor Associations, it has been decided that they shall abide by the enclosed code of conduct. It has also been decided that every SEBI recognised Investor Association shall submit a letter of compliance with this code of conduct every year in the first week of April for the preceding financial year and also along with the application for renewal of recognition.

2. A copy the circular is made available on the investor website, www.investor.sebi.gov.in.

3. This circular has been issued in exercise of powers conferred under section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

G.P.Garg
Chief General Manager
022-26449400
gpg@sebi.gov.in

Encl: as above

Code of Conduct for Investors Associations recognised by SEBI

1. The main objective of any IA shall be
    i. To educate the investors
    ii. To Create awareness among investors
    iii. To protect the interest of the investors
2. The Association shall disclose its objectives and limitations if any, to all its members.
3. The Association shall observe the highest standard of honesty, integrity and fairness in conducting its affairs and discharging its duties to the investors and regulatory authorities.
4. The Association shall be manned by people with appropriate level of knowledge, competency, skill and experience.
5. The Association shall establish and maintain adequate infrastructural facility to be able to discharge services to the investors adequately.
6. The Association shall abide by the provisions of the guidelines issued by SEBI from time to time.
7. The Association shall update themselves the latest developments including the regulatory changes in the securities market and disseminate the same to the investors
8. The Association shall be impartial and professional in their approach and shall ensure that the conduct of its committee does not bring any discredit to the Board at any point of time.
9. The Association shall ensure that all the records are properly maintained and documented and the record keeping is backed by operation manuals.
10. The Association shall not make any untrue statement or suppress any material fact in documents, reports or information furnished to the Board.
11. The Association shall ensure that only members of the executive committee/ governing board represent the IA for meetings / any representation to the Board.
12. The Association shall ensure that no person against whom an adverse order has been passed by the Board shall hold a position in any capacity in the association.
13. The Association shall cooperate and support each other and SEBI in their activities and initiatives to the extent possible so as to protect the interests of the investors.
14. The Association shall not recommend or otherwise promote any issuer, securities or intermediary or act as an agent of any issuer, intermediary or listed company.

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