



CIRCULAR

SEBI/HO/IMD/IMD-II CIS/P/CIR/2021/0686

December 13, 2021

To,

All Investment Advisers

Dear Sir/Madam,

Subject: Publishing Investor Charter and disclosure of Investor Complaints by Investment Advisers 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 investment advisers, SEBI has developed an Investor Charter for Investment Advisers. This Charter is a brief document containing details of service provided to investors, their rights, dos and don'ts, responsibilities, investor grievance handling mechanism and timelines thereof etc., at one single place, in a lucid language, for ease of reference.
2. All registered Investment Advisers 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. Investment Advisers not having websites/mobile applications shall, as a one-time measure, send Investor Charter to the investors on their registered e-mail address.
3. Further, SEBI issued Circular No. SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019 which *inter alia* at Para 1 (iv) prescribed display of complaints status by Investment Advisers (IAs) on respective websites/mobile application. In order to further enhance transparency in grievance redressal, the Investment Advisers shall disclose the details of investor complaints by 7th of the succeeding month in the revised format as per **Annexure –B** on a monthly basis. The para 1 (iv) of the



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aforesaid circular stands modified accordingly. Investment Advisers 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, Investment advisers 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 the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 29 of the SEBI (Investment Advisers) Regulations, 2013, to protect the interests of investors in securities 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 – Investment Advisers" and "Legal framework - Circulars".

Yours faithfully,

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Investor Charter in respect of Investment Adviser (IA)

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 Investment Adviser with respect to the investors

- To enter into an agreement with the client providing all details including fee details, aspect of Conflict of interest disclosure and maintaining confidentiality of information.
- To do a proper and unbiased risk – profiling and suitability assessment of the client.
- To obtain registration with Know Your Client Registration Agency (KRA) and Central Know Your Customer Registry (CKYC).
- To conduct audit annually.
- To disclose the status of complaints in its website.
- To disclose the name, proprietor name, type of registration, registration number, validity, complete address with telephone numbers and associated SEBI regional/local Office details in its website.
- To employ only qualified and certified employees.
- To deal with clients only from official number
- To maintain records of interactions, with all clients including prospective clients (prior to onboarding), where any conversation related to advice has taken place.

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



- Onboarding of Clients
 - Sharing of agreement copy
 - Completing KYC of clients
- Disclosure to Clients
 - To provide full disclosure about its business, affiliations, compensation in the agreement.
 - To not access client's accounts or holdings for offering advice.
 - To disclose the risk profile to the client.
- To provide investment advice to the client based on the risk-profiling of the clients and suitability of the client.

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

1. In case of any grievance / complaint, an investor should approach the concerned Investment Adviser and shall ensure that the grievance is resolved within 30 days.
2. 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.
3. 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 Investment Advisers.
 - ii. Ensure that the Investment Adviser has a valid registration certificate.
 - iii. Check for SEBI registration number.



Please refer to the list of all SEBI registered Investment Advisers which is available on SEBI website in the following link:

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=13>)

- iv. Pay only advisory fees to your Investment Adviser. Make payments of advisory fees through banking channels only and maintain duly signed receipts mentioning the details of your payments.
- v. Always ask for your risk profiling before accepting investment advice. Insist that Investment Adviser provides advisory strictly on the basis of your risk profiling and take into account available investment alternatives.
- vi. Ask all relevant questions and clear your doubts with your Investment Adviser before acting on advice.
- vii. Assess the risk–return profile of the investment as well as the liquidity and safety aspects before making investments.
- viii. Insist on getting the terms and conditions in writing duly signed and stamped. Read these terms and conditions carefully particularly regarding advisory fees, advisory plans, category of recommendations etc. before dealing with any Investment Adviser.
- ix. Be vigilant in your transactions.
- x. Approach the appropriate authorities for redressal of your doubts / grievances.
- xi. Inform SEBI about Investment Advisers offering assured or guaranteed returns.

• **Don'ts**

- xii. Don't fall for stock tips offered under the pretext of investment advice.
- xiii. Do not provide funds for investment to the Investment Adviser.
- xiv. Don't fall for the promise of indicative or exorbitant or assured returns by the Investment Advisers. Don't let greed overcome rational investment decisions.
- xv. Don't fall prey to luring advertisements or market rumors.
- xvi. Avoid doing transactions only on the basis of phone calls or messages from any Investment adviser or its representatives.



- xvii. Don't take decisions just because of repeated messages and calls by Investment Advisers.
- xviii. Do not fall prey to limited period discount or other incentive, gifts, etc. offered by Investment advisers.
- xix. Don't rush into making investments that do not match your risk taking appetite and investment goals.
- xx. Do not share login credential and password of your trading and demat accounts with the Investment Adviser.



Complaint Data to be displayed by IAs

Formats for investors complaints data to be disclosed monthly by IAs 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 (SCORES)						
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				



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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.