

CIRCULAR

SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2025/004

January 08, 2025

To,

All Registered Research Analysts

BSE Limited (Research Analyst Administration and Supervisory Body - RAASB)

Sir / Madam,

Sub: Guidelines for Research Analysts

1. Securities and Exchange Board of India (SEBI), after considering the inputs from public consultation, has reviewed the framework for regulation of Research Analysts (RAs) and has notified Securities and Exchange Board of India (Research Analysts) (Third Amendment) Regulations, 2024 (hereinafter referred to as “amendments to RA Regulations”) on December 16, 2024. These amendments have come into force on the date of notification i.e. on December 16, 2024.
2. The Research Analysts shall ensure compliance with the aforesaid amendments to RA Regulations and the following guidelines specified under the amended SEBI (Research Analysts) Regulations, 2014 (hereinafter referred to as “RA Regulations”):
 - i. **Qualification and certification requirements**

Regulation 7 of the RA Regulations specifies the minimum qualification and certification requirements for RAs. It is clarified that the revised qualification requirements shall not be required to existing individual RAs, Principal officer of non-individual RAs or research entity, individuals employed as research analysts and partners of research analyst, if any, engaged in providing research services.

However, they shall hold NISM certifications and comply with other conditions specified under Regulation 7(3) of the RA Regulations.

ii. Deposit requirement:

- a. As per Regulation 8 of the RA Regulations, a research analyst shall maintain a deposit of such sum, as specified by the SEBI from time to time. The deposit requirements shall be based on the maximum number of clients of RA on any day of the previous financial year, as under:

No. of clients	Deposit
Up to 150 clients	₹ 1 lakh
151 to 300 clients	₹ 2 lakh
301 to 1,000 clients	₹ 5 lakhs
1,001 and above clients	₹ 10 lakhs

- b. The deposit shall be maintained with a scheduled bank marked as lien in favor of Research Analyst Administration and Supervisory body (RAASB), in the manner and form as may be specified by RAASB.
- c. The deposit amount may be revised for any change in applicable amount of deposit, based on the maximum number of clients in the previous financial year, latest by 30th April of the subsequent financial year.
- d. The deposit requirements shall be reviewed by SEBI from time to time.
- e. The existing RAs shall ensure compliance with the deposit requirement latest by April 30, 2025. For the new applicants seeking registration as RA, the deposit requirement shall become effective immediately from the date of this circular.

iii. Registration both as Investment Adviser and Research analyst:

In terms of the proviso to Regulation 9 of the RA Regulations, an individual or partnership firm registered as an investment adviser may be granted certificate of registration as a research analyst, subject to such terms and conditions as the

SEBI may deem fit and appropriate. Accordingly, these terms and conditions are as under:

- a. An investment adviser, who is an individual or partnership firm, registered under the SEBI (Investment Advisers) Regulations, 2013 (IA Regulations), may be considered eligible for grant of certificate of registration as RA under the RA Regulations provided that it shall comply with the rules/regulations/reporting requirements under each of these regulations viz. IA Regulations and RA Regulations separately.
- b. Such IA/RA shall provide an undertaking stating that it shall maintain arms-length relationship between its activity as IA and RA and shall ensure that its investment advisory services and research services are clearly segregated from each other.

iv. Registration as part-time research analyst:

- a. In terms of Regulation 2(nd) read with regulation 2(nb) of RA Regulations, a part-time RA is an individual or partnership firm who is also engaged in any other business activity/employment which is unrelated to securities and does not involve handling/ managing of money/ funds of client/ person or providing advice/ recommendation to any client/person in respect of any products/ assets for investment purposes.
- b. An applicant engaged in any activity or business or employment permitted by any financial sector regulator or an activity under the purview of statutory self-regulatory organisations such as Institute of Chartered Accountants of India ('ICAI'), Institute of Company Secretaries of India (ICSI), Institute of Cost Accountants of India (ICMAI) etc. shall be considered eligible for registration as part-time RA.
- c. In terms of regulation 2(1) (u) read with regulation 7 of RA Regulations, Part-time RAs shall be required to have similar qualification and certification requirements prescribed under RA regulations for full-time RAs.
- d. Part-time RA shall provide an undertaking stating that it shall maintain arms-length relationship between its activity as RA and other activities and shall

ensure that its investment advisory services are clearly segregated from all its other activities at all stages of client engagement.

- e. Part-time RA shall provide disclaimer prominently (minimum 10 font size) and attracting the attention of the investor while providing their other service/raising invoice related to other business/service that the activity/invoice is related to services not under the purview of SEBI and no complaint can be raised to SEBI for the services rendered therein.
- f. The part-time RA shall disclose the nature of other activities and shall ensure that there is no conflict of interest between its RA activity and its other business activities or employment.
- g. For the purpose of providing additional clarity as to whether a person shall or shall not be considered eligible for registration as part-time RA, reference may be made to the following explanations/illustrations regarding other business activities or employment that a person shall or shall not engage in.

Example/Illustration 1:

Who shall be considered eligible for registration as part-time RA?

A person shall be considered eligible for registration as part-time RA if it-

- (i) is a member of ICAI or ICSI or ICMAI providing their statutory services or an insurance agent having license from Insurance Regulatory and Development Authority of India ('IRDAI'),
- (ii) is employed as a professor or a teacher etc. provided that his employer provides no objection certificate to take up the activity as part-time RA. If there is change in employer, part-time RA shall ensure to provide the no objection certificate from his new employer to RAASB/SEBI to continue its activities as part-time RA.
- (iii) is professional such as an architect, lawyer, doctor etc.
- (iv) is employed as a professor or a teacher etc., or is engaged in education business or activity:

Provided that such person is not engaged in any of the two prohibited activities under Regulation 16A of Securities and Exchange Board of India (Intermediaries) Regulations, 2008 i.e.-

- (a) providing advice or any recommendation, directly or indirectly, in respect of or related to a security or securities, without being registered with or otherwise permitted by the SEBI to provide such advice or recommendation; and
- (b) making any claim, of returns or performance expressly or impliedly, in respect of or related to a security or securities, without being permitted by the SEBI to make such a claim.

Example/Illustration 2:

Who shall not be considered eligible for registration as part-time RA?

If a person is engaged in a business/activity of providing advice/recommendations on assets such as gold, real estate, cryptocurrency etc., it shall not be considered eligible for registration as part-time RA.

Example/Illustration 3:

Who is required to register as part-time RA?

If a CA for the purpose of tax planning/tax filing provides advice/recommendation on securities as asset class to its clients as an incidental advice to its primary activity, it is not required to get registered as a part-time RA. However, if a CA is providing security-specific recommendation to its clients which is not investor specific, even though as part of tax planning/tax filing, it is required to seek registration as part-time RA.

v. Designation as ‘principal officer’:

- a. Regulation 2(1)(oa) of RA Regulations provides that in case of non-individual research analyst being a partnership firm, one of the partners shall be designated as its principal officer. It further provides that in case no partner of the partnership firm registered as a research analyst has minimum qualification

and certification requirements provided under the RA Regulations, it shall apply for registration a research analyst in the form of a limited liability partnership or a body corporate within such time as may be specified by the SEBI.

- b. Accordingly, a partnership firm registered as a research analyst, where no partner of the firm has the minimum qualification and certification requirements provided under the Regulations, shall apply for registration as a research analyst in the form of a limited liability partnership or a body corporate latest by September 30, 2025.

vi. Appointment of an independent professional as Compliance Officer:

- a. In terms of Regulation 26 of the RA Regulations, a non-individual research analyst may appoint an independent professional who is a member of ICAI or ICSI or ICMAI or member of any other professional body as may be specified by the SEBI, provided such a professional holds a relevant certification from NISM, as may be specified by the SEBI. In such cases, the principal officer shall submit an undertaking to RAASB/SEBI to the effect that principal officer shall be responsible for monitoring the compliance in respect of the requirements of the Act, regulations, notifications, guidelines, instructions issued by SEBI/RAASB.

- b. A non-individual RA may appoint such an independent professional as compliance officer who holds certifications from NISM by passing the following certification examinations-

- NISM-Series-XV: Research Analyst Certification Examination
- NISM-Series-XV-B: Research Analyst Certification (Renewal) Examination, and
- NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination

vii. Use of Artificial Intelligence ('AI') tools in RA services

- a. In terms of Regulation 24(7) of the RA Regulations, a research analyst or research entity who uses artificial intelligence tools, irrespective of the scale and scenario of adoption of such tools, for servicing its clients shall be solely

responsible for the security, confidentiality, integrity of the client data, use of any other information or data for research services, research services based on output of Artificial Intelligence tools and compliance with any law for the time being in force. Further, in terms of Regulation 19 (vii) of the RA Regulations, a research analyst or research entity shall disclose to the client the extent of use of Artificial Intelligence tools in providing research services.

- b. A research analyst or research entity shall provide the disclosure of the extent of use of artificial intelligence tools by them in providing research services to their clients at the time of disclosing the terms and conditions of the research services to the client and make such additional disclosure whenever required.
- c. For the existing clients, research analysts shall comply with the requirements under this clause latest by April 30, 2025.

viii. Research services provided by research analyst or research entity

- a. In terms of Regulation 20(4) of RA Regulations, research services provided by RA or research entity shall be corroborated by research report containing the relevant data and analysis forming the basis for such research service. RA or research entity shall maintain record of such research report.
- b. In terms of Regulation 2(1)(u) read with Regulation 2(1)(fa) of RA Regulations, research analyst means a person providing research services 'for consideration' wherein consideration shall include direct or indirect consideration in any form whether from client or otherwise for providing research services. In this regard, it may be clarified that the research services being provided by research analyst or research entity to any of its clients availing its other services as registered intermediary in another capacity shall be considered as research services provided 'for consideration' even though no fee is charged by such research analyst or research entity directly from the client.

Illustration: Research services provided by the research entity, who is also registered with SEBI as stock broker, to clients availing its stock broking services are considered as research services 'for consideration'.

ix. Fees chargeable to clients by RAs:

Regulation 15A of RA Regulations provide that RA shall be entitled to charge fees for providing research services from client including an accredited investor in the manner as specified by SEBI. Accordingly, -

- a. RAs may charge fees, subject to ceiling as may be specified by SEBI and shall ensure that fee charged to client is fair and reasonable.
- b. RAs shall charge a maximum of ₹1,51,000 per annum per family in case of their clients who are individuals and Hindu Undivided Family(HUF). The fee limit shall be revised and announced by RAASB once in three years based on the Cost Inflation Index (CII) after due consultation with SEBI.
- c. The fee limit does not include statutory charges.
- d. The provisions related to limit on fee chargeable by RAs shall only apply to individual and HUF clients and shall not be applicable in case of non-individual clients and accredited investors, and in case of institutional investors seeking recommendation of proxy adviser.
- e. The limits of fees payable to the RA by non-individual clients and accredited investors, and to the proxy adviser by their institutional investors shall be governed through bilaterally negotiated contractual terms.
- f. If agreed by the client, RA may charge fees in advance. However, such advance shall not exceed fees for more than one quarter.
- g. In the event of pre-mature termination of RA services in terms of the agreed terms and conditions, the client shall be refunded proportionate fees for unexpired period. RA shall not charge any breakage fee.
- h. The terms and conditions to be disclosed by RA to the client shall also include fee limits, agreed fees for research services and guidance on the optional 'Centralised Fee Collection Mechanism for IA and RA' (CeFCoM).

- i. For existing clients, RAs shall ensure compliance with aforesaid fee related provisions latest by June 30, 2025. For new clients, the requirements under this clause shall be effective from the date of this circular.

x. Client level segregation of Research and distribution activities

To ensure client level segregation at research analyst's or research entity's group/family¹ level as per Regulation 26C(5) of RA Regulations, following compliance and monitoring process shall be adopted:

- a. Existing clients, who wish to avail services of the RA, will not be eligible for availing distribution services within the group/family of the RA. Similarly, existing clients who wish to take distribution services will not be eligible for availing research services within the group/family of the RA.
- b. A new client will be eligible to avail either research services or distribution services within the group/family of RA. However, the option to avail either research services or distribution services shall be made available to such client at the time of on-boarding.
- c. "Client" under these guidelines shall include individual client or non-individual client.
- d. The client shall have discretion to continue holding assets prior to the applicability of this segregation under the existing research/ distribution arrangement. However, the client shall not be forced to liquidate/ switch such existing holdings.
- e. PAN of each client shall be the control record for identification and client-level segregation.
- f. In case of an individual client, "family of client"² shall be reckoned as a single client and PAN of all members in "family of client" would jointly and severally

¹ "Group" and "family of an individual research analyst" shall be as per Regulation 26C (3) (iii) and Regulation 2(1)(fb) respectively of the RA regulations

² "Family of client" shall be as per Regulation 2 (1)(fc) of the RA regulations

be the control record. However, the same shall not be applicable for non-individual clients.

- g. The dependent family members shall be those members whose assets originate from income of a single entity, i.e., the earning client (individual) in the family. The client shall provide an annual declaration or periodic updation, as the case maybe, in respect of such dependent family members.
 - h. RA shall maintain on record an annual certificate from a member of ICAI/ ICSI/ ICMAI or from an auditor (in case of individual RA)/statutory auditor (in case of a non-individual RA or research entity) confirming compliance with the client-level segregation requirements. Such annual certificate shall be obtained within six months from the end of the financial year starting from for the financial year ending March 31, 2025 and the same shall form part of compliance audit, in terms of regulation 25(3) of the RA Regulations.
 - i. RAs providing research services exclusively to institutional clients and accredited investors may not be subject to compliance with the requirements of segregation of research and distribution activities provided that the client/investor signs a standard waiver stating the above.
 - j. Stock broking is not considered as distribution activity for the purpose of regulation 26C of RA Regulations.
 - k. RA/research entity shall ensure compliance under this clause latest by June 30, 2025.
- xi. **Guidelines for recommendation of 'model portfolio' by RAs**
- a. In terms of Regulation 2(1)(u) read with Regulation 2(1)(wa) of RA Regulations, research services provided by research analyst include recommendation of model portfolio. Regulation 24(8) of the RA Regulations provides that research analyst or research entity engaged in providing model portfolio shall abide by the guidelines issued by the SEBI from time to time.
 - b. The guidelines that provide the model portfolio framework are given in **Annexure-A**.

- c. RAs engaged in providing model portfolio (s) to their clients shall ensure compliance with the model portfolio guidelines latest by June 30, 2025.
- d. Compliance with audit requirement under regulation 25(3) of the RA Regulations shall also cover compliance with obligations set out under the model portfolio guidelines.

xii. Disclosure of terms and conditions to the client

- a. Regulation 24(6) of the RA Regulations provides that while providing the research services, RA or research entity shall disclose the terms and conditions of research services to the client and take consent of the client on such terms and conditions.
- b. RA or research entity shall ensure that neither any research service is rendered nor any fee is charged until consent is received from the client on the terms and conditions.
- c. The minimum mandatory terms and conditions to be disclosed by RA or research entity are provided in **Annexure-B**.
- d. The terms and conditions shall also include the Most Important Terms and Conditions (MITC) to be disclosed by RAs/research entity as may be specified by SEBI. MITC shall be standardised by industry standards forum (ISF) in consultation with RAASB and SEBI.
- e. Consent of client to terms and conditions of the services disclosed by RA or research entity may be signed by the client in person or through any other legally acceptable mode including DigiLocker enabled Aadhaar based e-signature facility.
- f. For the existing clients, the RA/research entity shall comply with the requirements by disclosing the aforesaid terms and conditions and obtain their consent latest by June 30, 2025.

xiii. KYC Requirements and maintenance of record

- a. As provided under Regulation 25(1) of RA Regulations, RA or research entity shall follow the KYC procedure for their fee paying clients and maintain KYC records for their clients as specified by SEBI from time to time. Regulation 25 (1) of RA Regulations also provides that RA or research entity shall maintain the records with respect to its interaction with clients. In this regard, it is clarified that-
- b. RA shall maintain records of interactions, with all clients including prospective clients (prior to onboarding), where any conversation related to its services has taken place inter alia, in the form of:
 - (i) Physical record written & signed by client,
 - (ii) Telephone recordings
 - (iii) Email from registered email id,
 - (iv) Record of SMS messages,
 - (v) Any other legally verifiable record.
- c. Such records shall begin with first interaction with the client and shall continue till the completion of research services to the client.
- d. RA or research entity are required to maintain these records for a period of five years. However, in case where dispute has been raised, such records shall be kept till resolution of the dispute or if SEBI desires that specific records be preserved, then such records shall be kept till further intimation from SEBI.
- e. RA/research entity shall ensure the compliance with the requirements under this clause latest by June 30, 2025.

xiv. Compliance audit requirements

- a. As per regulation 25(3) of the RA Regulations, RA or research entity shall conduct annual audit in respect of compliance with RA Regulations.

- b. Annual compliance audit report shall specify each of the provisions of the RA Regulations and the circulars and guidelines issued thereunder upon which compliance is reported.
- c. A research analyst or research entity shall -
 - (i) complete the annual compliance audit within six months from the end of each financial year and submit a compliance audit report to RAASB/SEBI within a period of one month from the date of the audit report.
 - (ii) submit adverse findings of audit, if any, along with action taken thereof duly approved by the individual RA or management of non-individual RA or research entity to RAASB/SEBI within a period of one month from the date of the audit report but not later than October 31st of each year for the previous financial year; and
 - (iii) maintain on record an annual certificate from a member of ICAI/ ICSI/ ICMAI or from an auditor confirming compliance with client level segregation requirements. Such annual certificate shall form part of the compliance audit.
- d. RA/research entity shall publish the status of the compliance audit report on its website and shall also publish the adverse findings of audit, if any, along with the action taken thereof on its website. RA/research entity shall provide the compliance audit report to its clients.
- e. RA/research entity shall ensure compliance with the additional audit requirements under this clause starting with for audit report of the financial year ending March 31, 2025.

xv. Requirement of website and the details on the website

In terms of Regulation 19A of RA Regulations, a Research analyst or research entity shall maintain a functional website and shall contain the details as may be specified by SEBI. RA/research entity shall confirm the details of its website to RAASB and compliance with requirements under this clause by June 30, 2025.

3. Applicability

The provisions of this circular shall come into effect on the date of this circular unless otherwise mentioned separately under the respective clause(s).

4. 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 aforesaid regulations of 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.
5. This circular is available on the SEBI website at www.sebi.gov.in under the category "Legal →Circulars".

Yours faithfully,

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Annexure-A

Guidelines for recommendation of 'model portfolio' by Research Analysts

Research Analyst or research entity recommending the model portfolio shall ensure compliance with the following guidelines on 'model portfolio':

1. Definitions

The following terms used in the guidelines on the 'model portfolio' shall have the meaning as mentioned below.

- i. **Model Portfolio:** A 'model portfolio' shall mean a basket of securities for which a research report is issued by a RA recommending the relevant weightages for one or more securities mentioned therein.

Explanation: If the research report does not ascribe weightages to the components of basket of securities, then merely a summary or consolidated presentation of securities recommended shall not be regarded as a "model portfolio".

- ii. **Disclosures:** Means the minimum set of disclosures as specified in this model portfolio framework to be mandatorily included in a model portfolio report, in order to ensure that all the relevant facts and information which could impact the investment decision of a potential investor are adequately made known to the investors.
- iii. **Launch Date:** Means the date on which model portfolio report was issued by the RA.
- iv. **Update Date:** Each model portfolio should clearly list the dates and/or intervals at which model portfolio shall be reviewed and updated by RA and the launch date of each such updated model portfolio shall be deemed to be the "Update Date".

2. Model Portfolio Framework

- i. **Model portfolio report:** Model portfolio shall be issued through a research report with all constituent securities being recommended to be covered in the

research report and rebalancing to be done at such intervals as the RA deems appropriate. The opinion of the RA on any constituent securities forming part of the model portfolio shall not be contrary to its opinion on each of such securities individually.

Model portfolio report shall include a 'factsheet' setting out the basic information on the model portfolio. A model portfolio report must contain disclosures, rationale, methodology, launch date, update date and type of model portfolio contained therein.

- ii. **Methodology:** Model portfolio report shall define and discuss the framework including underlying universe for stock selection and shall be labelled to indicate the type of underlying universe of securities (such as large caps, mid-caps, multi caps, etc.) or an underlying theme (such as Make in India, Defence, etc.) or a sector (such as Auto, Textile, etc.). Model portfolio report shall define and discuss in detail the methodology for selection of constituent securities in the model portfolio such as fundamental analysis, technical analysis etc. and the parameters therein.
- iii. **Labelling:** Model portfolio should be 'true to label' and should be named in a manner which clearly states the type of portfolio being created along with a one-line description of the theme or investment objective of the model portfolio for ease of understanding for all clients.
- iv. **Investment Horizon:** Model portfolio report should specify the investment horizon of the model portfolio so that the investor can match that to their investment period.
- v. **Frequency of portfolio review and update:** Whether the model portfolio would be updated and at what intervals must be predefined in the report. The rebalancing, if any, of the constituent securities in the model portfolio shall be done within the overall framework of the model portfolio and shall be communicated to the clients along with the underlying rationale.

vi. **Risk disclosures:** Model portfolio risk should be clearly mentioned in model portfolio report.

vii. **Benchmarking:** Each model portfolio shall disclose performance duly validated by agency/body as specified by SEBI over different time periods, and should be benchmarked with appropriate and relevant index.

For example, Model portfolio for auto stocks can be benchmarked with Nifty Auto Index, Mid cap model portfolio can be benchmarked with BSE Midcap Index, thematic portfolios with thematic indices, etc.

Every model portfolio report shall contain disclosure on the benchmark index which should be clearly defined and should be used consistently.

viii. **Audit Requirements:** Compliance with audit requirement under regulation 25(3) of the RA Regulations shall also cover compliance with obligations set out under the model portfolio guidelines.

Annexure-B

Disclosure of minimum mandatory terms and conditions to clients

RAs shall disclose to the client the terms and conditions of the research services offered including rights and obligations. RAs shall ensure that neither any research service is rendered nor any fee is charged until consent is received from the client on the terms and conditions.

1. **Availing the research services:** By accepting delivery of the research service, the client confirms that he/she has elected to subscribe the research service of the RA at his/her sole discretion. RA confirms that research services shall be rendered in accordance with the applicable provisions of the RA Regulations.
2. **Obligations on RA:** RA and client shall be bound by SEBI Act and all the applicable rules and regulations of SEBI, including the RA Regulations and relevant notifications of Government, as may be in force, from time to time.

3. **Client Information and KYC:** The client shall furnish all such details in full as may be required by the RA in its standard form with supporting details, if required, as may be made mandatory by RAASB/SEBI from time to time.

RA shall collect, store, upload and check KYC records of the clients with KYC Registration Agency (KRA) as specified by SEBI from time to time.

4. **Standard Terms of Service:** The consent of client shall be taken on the following understanding:

“I / We have read and understood the terms and conditions applicable to a research analyst as defined under regulation 2(1)(u) of the SEBI (Research Analyst) Regulations, 2014, including the fee structure.

I/We are subscribing to the research services for our own benefits and consumption, and any reliance placed on the research report provided by research analyst shall be as per our own judgement and assessment of the conclusions contained in the research report.

I/We understand that –

- i. Any investment made based on the recommendations in the research report are subject to market risk.*
- ii. Recommendations in the research report do not provide any assurance of returns.*
- iii. There is no recourse to claim any losses incurred on the investments made based on the recommendations in the research report.”*

Declaration of the RA that:

- i. It is duly registered with SEBI as an RA pursuant to the SEBI (Research Analysts) Regulations, 2014 and its registration details are: (registration number, registration date);*
- ii. It has registration and qualifications required to render the services contemplated under the RA Regulations, and the same are valid and subsisting;*

- iii. Research analyst services provided by it do not conflict with or violate any provision of law, rule or regulation, contract, or other instrument to which it is a party or to which any of its property is or may be subject;*
- iv. The maximum fee that may be charged by RA is ₹1.51 lakhs per annum per family of client.*
- v. The recommendations provided by RA do not provide any assurance of returns.*

Additionally, if RA is an individual, declaration that:

- i. It is not engaged in any additional professional or business activities, on a whole-time basis or in an executive capacity, which interfere with/influence or have the potential to interfere with/influence the independence of research report and/or recommendations contained therein.*
5. **Consideration and mode of payment:** The client shall duly pay to RA, the agreed fees for the services that RA renders to the client and statutory charges, as applicable. Such fees and statutory charges shall be payable through the specified manner and mode(s)/ mechanism(s).
 6. **Risk factors:** (A statement covering the standard risks associated with investment in securities to be added under this clause by the RA)
 7. **Conflict of interest:** The RA shall adhere to the applicable regulations/ circulars/ directions specified by SEBI from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. (A statement covering the mandatory disclosures to be added under this clause by the RA.)
 8. **Termination of service and refund of fees:** Disclosure that the RA may suspend or terminate rendering of research services to client on account of suspension/ cancellation of registration of RA by SEBI and shall refund the residual amount to the client.

In case of suspension of certificate of registration of the RA for more than 60 (sixty) days or cancellation of the RA registration, RA shall refund the fees, on a pro rata basis for the period from the effective date of cancellation/ suspension to end of the subscription period.

9. **Grievance redressal and dispute resolution:** Any grievance related to (i) non-receipt of research report or (ii) missing pages or inability to download the entire report, or (iii) any other deficiency in the research services provided by RA, shall be escalated promptly by the client to the person/employee designated by RA, in this behalf (RA to provide name and e-mail ID of the designated person/employee).

The RA shall be responsible to resolve grievances within 7 (seven) business working days or such timelines as may be specified by SEBI under the RA Regulations.

RA shall redress grievances of the client in a timely and transparent manner.

Any dispute between the RA and his client may be resolved through arbitration or through any other modes or mechanism as specified by SEBI from time to time.

10. **Additional clauses:** All additional voluntary clauses added by the RA should not be in contravention with rules/ regulations/ circulars of SEBI. Any changes in such voluntary clauses/document(s) shall be preceded by a notice of 15 days.
11. **Mandatory notice:** Clients shall be requested to go through Do's and Don'ts while dealing with RA as specified in SEBI master circular no. SEBI/HO/MIRSD-POD-1/P/CIR/2024/49 dated May 21, 2024 or as may be specified by SEBI from time to time.
12. **Most Important Terms and Conditions (MITC):** RA shall also disclose MITC to their clients which shall be standardised by Industry Standards Forum (ISF) in consultation with SEBI and RAASB.

RAs/research entity shall also include the following disclosure as part of the terms and conditions in their MITC:



“The terms and conditions and the consent thereon are for the research services provided by the RA and RA cannot execute/ carry out any trade (purchase/ sell transaction) on behalf of the client. Thus, you are advised not to permit RA to execute any trade on your behalf.”

- 13. Optional Centralised Fee Collection Mechanism:** RA Shall provide the guidance to their clients on an optional ‘Centralised Fee Collection Mechanism for IA and RA’ (CeFCoM) available to them for payment of fees to RA.
