

POLICY FOR UNAUTHENTICATED NEWS

1. It has been observed by SEBI that unauthenticated news related to various scrips are circulated in blogs/chat forums/e-mail etc. by employees of Broking Houses/Other Intermediaries without adequate caution as mandated in the code of conduct for Stock Brokers and respective Regulations of various intermediaries registered with SEBI.
2. Further, in various instances, it has been observed that the Intermediaries do not have proper internal controls and do not ensure that proper checks and balances are in place to govern the conduct of their employees. Due to lack of proper Internal controls and poor training, employees of such intermediaries are sometimes not aware of the damage which can be caused by circulation of unauthenticated news or rumours. It is a well established fact that market rumours can do considerable damage to the normal functioning and behaviour of the market and distort the price discovery mechanisms.
3. In view of the above facts, you are hereby directed that :
 - * Proper internal code of conduct and controls should be put in place.
 - * Employees/ temporary staff/ voluntary workers etc. employed/working in your offices do not encourage or circulate rumours or unverified information obtained from client, industry, any trade or any other sources without verification.
 - * Access to Blogs/ Chat forums / Messenger sites etc. should either be restricted under supervision or access should not be allowed.
 - * Logs for any usage of such Blogs/Chat forums/Messenger sites (called by any nomenclature) shall be treated as records and the same should be maintained.
 - * Any market related news received by you and your official mail/personal mail/blog or in any other manner should be forwarded only after the same has been seen and approved by you. If you fail to do so, you shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liable for actions.