

**DEPUTY GENERAL MANAGER
INVESTMENT MANAGEMENT DEPARTMENT**

SEBI/IMD/CIR No. 17/ 193751/2010
February 04, 2010

All Mutual Funds, Asset Management Companies (AMCs)

Sir / Madam,

Sub: Standard warning in Advertisements by Mutual Funds

1. Please refer to clause 2 of the circular SEBI/MFD/CIR No.6/ 12357/03 dated June 26, 2003 and SEBI Circular No. SEBI/IMD/CIR No.12/118340/08 dated February 26, 2008 on Advertisements through Audio-Visual media and Standard warning in Advertisements by Mutual Funds, respectively.
2. As per the present guidelines, in advertisements through audio-visual media like television, a statement "Mutual Fund investments are subject to market risks, read the offer document carefully before investing" is required to be displayed on the screen for at least 5 seconds and be accompanied by a voice over reiteration. However, it has been observed that in some cases the visual and voice over were run for less than 5 seconds, or if the visual stayed for 5 seconds the voice over either started late or ended early or both. In some cases extra words were inserted in the visual and voice over. As a result, the warning was rendered unintelligible to the viewer/listener.
3. In order to improve the manner in which the said message is conveyed to the investors it has been decided that with effect from May 01, 2010:
 - i. The standard warning in audio-visual advertisement shall be displayed as "Mutual Fund investments are subject to market risks, read all scheme related documents carefully".
 - ii. No addition or deletion of words shall be made in the standard warning.
4. It is evident from the circular dated June 26, 2003, that the visual is to be accompanied by voice over. It is therefore re-emphasized that both the visual and the voice over of the standard warning will be run for at least 5 seconds.
5. All other conditions specified in the above mentioned circular remain unchanged.
6. All mutual funds shall comply with the above requirements in letter and spirit.

7. 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 the provisions of Regulation 77 of the SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Asha Shetty