



KAMARAJ IAS ACADEMY
Only IAS Academy by Grandson of "Perunthalsivam Kamarajar"

Finfluencer

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Context: The Securities and Exchange Board of India (SEBI) recently barred a prominent **finfluencer** from participating in securities markets for **illegal gains** obtained through **unregistered advisory services**.

Who are Finfluencers?

Finfluencers are **social media influencers** who provide content on:

- oInvestments
- oPersonal finance
- oStock markets, mutual funds, and other securities

They operate on platforms such as **Instagram, YouTube, Twitter/X, and Telegram**, influencing retail investors' decisions.

Regulatory Framework – SEBI Guidelines

Investment Advisers Regulations, 2013

1Mandatory Registration

oAny person providing **investment advice** must register with SEBI as:

§**Research Analyst (RA)**, or

§**Investment Adviser (IA)**

2Prohibited Activities for Unregistered Individuals

- oOffering **specific investment recommendations**
- oMaking **performance claims** about securities
- oCollecting fees for advisory services without registration

Objective

- Ensure **investor protection**, **prevent market manipulation**, and maintain **transparency and credibility** in investment guidance.

Significance

- Highlights **risks of unregulated social media advice** in financial markets.
- Signals SEBI's **active monitoring of digital advisory platforms**.
- Aligns with global concerns over **misinformation in financial literacy and investment advice**.

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