DEWAN P N CHOPRA & CO

REGULATORY UPDATE

SEBI Issues Advisory Against Unregulated GMP in Upcoming IPOs



SEBI ISSUES ADVISORY AGAINST UNREGULATED GMP IN UPCOMING IPOs

INTRODUCTION:

Securities and Exchange Board of India (SEBI) through its Press Release dated 23rd November 2026 (PR No. 75/2026), has issued an advisory against the publication and circulation of unofficial Grey Market Premium (GMP) figures for upcoming IPOs.

SEBI has also advised investors not to rely on GMP to estimate the listing price or expected returns from an IPO.

SEBI observed that publication of such figures may be detrimental to investors and contrary to the principles of transparency and accountability in the securities market.

What is GMP? - Grey Market Premium (GMP) is the extra amount that investors are willing to pay over the IPO issue price to buy or sell shares in the unofficial market before they are listed on a stock exchange.

KEY DIRECTIVES FOR MARKET PARTICIPANTS & INTERMEDIARIES: -

- **Stop publishing GMP figures:** SEBI has advised registered intermediaries and market participants to stop publishing, displaying or sharing GMP figures through websites, emails, SMS, social media and other platforms.

- **Discontinuation across the market:** SEBI has stated that the publication, display, circulation or dissemination of GMP through any mode or platform may be discontinued across the securities market.

KEY WARNINGS FOR INVESTORS: -

- **Unofficial and unreliable:** GMP is not regulated by SEBI and does not guarantee the actual listing price of shares and may not reflect the final listing price. Investors should not rely on GMP as a price indicator or engage in GMP-linked transactions, which fall outside SEBI's regulatory framework. Such transactions are executed outside the exchange framework, carry no settlement guarantee and follow no formal price-discovery process.

- **No regulatory protection:** GMP transactions take place outside the recognised stock exchanges. Therefore, investors do not get SEBI or stock exchange protection in case of disputes. They also cannot use the exchange grievance redressal system or Online Dispute Resolution (ODR) mechanism for such transactions.

- **Use only Regulated Platforms:** Investors should avoid GMP-based transactions and apply for IPOs only through authorised platforms and SEBI-registered intermediaries.

For more details, refer to the SEBI Press Release dated 23rd November 2026:

https://www.sebi.gov.in/media-and-notifications/press-releases/nov-2026/advisory-regarding-unregulated-pre-listing-premium-often-called-as-grey-market-premium-gmp-for-upcoming-initial-public-offers-ipos-_105942.html

***DISCLAIMER**: - The summary information herein is based on the Press Release issued by SEBI dated 23rd November 2026. While the information is believed to be accurate, we make no representations or warranties, express or implied, as to the accuracy or completeness of it. Readers should conduct and rely upon their own examination and analysis and are advised to seek their own professional advice. This note is not an offer, advice or solicitation. We accept no responsibility for any errors it may contain, whether caused by negligence or otherwise or for any loss, howsoever caused or sustained, by the person who relies upon it.*