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Liability of financial Influencers Over Misleading Advice: A comparative Study of Securities and Exchange Regulation of India, USA and UK

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Liability of financial Influencers Over Misleading Advice: A comparative Study of Securities and Exchange Regulation of India, USA and UK

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Abstract

The way social media has changed how people get information and investment advice is really big. Financial influencers, also known as finfluencers have become very important in the world. They share information about investments with millions of people on media. This has helped people understand finance better and get involved in the market. It has also caused some problems. Some finfluencers give advice do not tell people about the companies they are working with and even try to manipulate the market. This is not good for the people who invest their money. Because of this the people who regulate the markets are trying to figure out new ways to deal with these problems. They need to make sure that finfluencers are not doing anything. This paper is about finfluencers. How they can get in trouble for giving bad investment advice. It looks at the rules in India, the United States and the United Kingdom. The study checks what the Securities and Exchange Board of India the United States Securities and Exchange Commission and the Financial Conduct Authority are doing to regulate what finfluencers say on media. It also looks at what happens when finfluencers break the rules what the laws say and what new rules are being made. By comparing these countries, the study finds out what is missing in the rules. Suggests ways to make things better for investors. The goal is to protect investors while still letting finfluencers share their ideas and opinions on media. Financial influencers or finfluencers need to be careful about what they say. Finfluencers have an influence, on people's investment decisions. Finfluencers must follow the rules.³

Keywords - *Finfluencers, Securities Regulation, SEBI, SEC, FCA, Investor Protection, Social Media, Investment Advice, Financial Promotion, Capital Markets.*

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1. Introduction

The way financial markets work has changed a lot because of digitalisation. In the past people who wanted to invest would talk to advisers, stockbrokers or analysts to get advice. Now social media platforms like YouTube, Instagram, X, Telegram and Facebook have given people without any special licenses a lot of power to influence what investors do. These people are called influencers or finfluencers. They use platforms to give people information about money tell them what they think about the market and give them tips on what to invest in.⁴

More and more people are listening to influencers because it is easier for regular people to invest in the market. New technology and apps have made it simpler for people to buy and sell stocks. So of going to traditional financial professional people are looking for advice from online content creators. Some financial influencers are really helpful. Teach people about money but there are also concerns that some of them might be giving bad advice or hiding something.

What financial influencers say can really affect what happens in the market and what people decide to invest in. Sometimes when they post about a stock it can cause a lot of people to buy or sell it and the price can go up or down really fast. In some cases influencers have talked about stocks without saying if they own them or if someone paid them to say something. This can be bad for investors. Can even manipulate the market. Because of this regulators are starting to pay attention.⁵

It is hard to regulate influencers because the laws we have now were made for traditional financial companies not for people talking about money on social media. Regulators have to figure out if what someone posts on media is advice, a promotion, research or just something educational. This is important because different rules apply depending on what it's

This study looks at how financial influencers can be held responsible for giving advice. It compares the rules in India, the United States and the United Kingdom to see how they protect investors and regulate what people say about money online. These countries have ways of dealing with these issues and by looking at them we can see what works and what does not. The goal is to find ways to make sure financial influencers are accountable, for what they say especially as people invest online.⁶

⁴ Jill E. Fisch, Making Sustainability Disclosure Sustainable, 107 Geo. L.J. 923, 941 (2019).

⁵ Iris H.-Y. Chiu, Regulating Finfluencers in the Digital Age, 18 Cap. Mkts. L.J. 211, 226 (2023).

⁶ Louis Loss, Joel Seligman & Troy Paredes, Securities Regulation 1542 (6th ed. 2020).

2. Historical Background

The rise of influencers is really connected to how fast social media platforms are growing and how easy it is for people to get financial information. In the past people who worked with money like stockbrokers and financial analysts were the ones who gave advice on investing. They had to follow rules to make sure they were being honest and good at their jobs. Now because of the internet and how easy it is to use people can share their thoughts on money and investing without needing any special training. They use blogs, podcasts, YouTube and social media to talk about stocks, personal finance and other money topics. After the financial problem in 2008 more people started using the internet to learn about money and investing. The COVID-19 pandemic made more people use social media to learn about investing. With everyone at home and using the internet more lots of people started investing for the time. During this time social media influencers became really important for people to learn about investing. They had much influence as big financial companies.⁷

The growth of influencers has been both good and bad. On one hand they have helped people learn more about money. Encouraged them to invest. On the hand some financial influencers have given bad advice or hidden information, which has caused problems for investors.

This has made regulators look at how to handle influencers and make sure they are not hurting people.

- Financial influencers have helped people learn about money
 - They have encouraged more people to invest
 - *. Some have given bad advice or hidden information
 - Regulators are now looking at how to handle influencers to protect investors
- The financial influencers are still a big part of how people learn about investing and money. The financial influencers are helping people understand money and investing. The financial influencers are also a problem because some of them are not honest. The regulators are looking at the influencers to make sure they are not hurting people. The financial influencers are a part of the conversation, about money and investing.⁸

2.1 Development of Regulations Governing Financial Influencers

The regulation of investment advice has always focused on people who are licensed to give advice and financial institutions. So when laws about securities were first made in India, the United States and the United Kingdom they did not specifically talk about media influencers. Instead regulators used rules about fraud giving wrong information and protecting investors. In the United States the

⁷ OECD, Retail Investors and Digital Financial Markets Report 23 (2022).

⁸ IOSCO, Finfluencers and Digital Engagement Practices Consultation Report 9 (2024).

government made the Securities Act of 1933 and the Securities Exchange Act of 1934 which are the basis of how securities regulated today. Later the Investment Advisers Act of 1940 said that people who give investment advice for money have to register and follow rules⁹. Even though these laws were made before the internet regulators are now using them to control promotions on social media.

In the United Kingdom, the Financial Services and Markets Act 2000 has been used to regulate promotions for a long time. This law says that people who are not authorized cannot give investment advice unless it is approved by someone who is authorized. The Financial Conduct Authority is using this law to control financial marketing.¹⁰ In India the way securities are regulated changed with the creation of the Securities and Exchange Board of India which was made under the SEBI Act, 1992. Over time SEBI made rules for investment advisers, research analysts, people who manage portfolios and market intermediaries. Because social media personalities are getting influence SEBI is taking action, against people who give unauthorized financial advice and misleading investment promotions.¹¹

Recently regulators are changing the way they control intermediaries and are now focusing on digital financial communications. They are emphasizing the need for people to disclose information be transparent and not give advice if they are not registered. The regulation of investment advice is focusing on media influencers and the regulation of investment advice is getting stricter. The regulation of investment advice is changing to include media influencers and the regulation of investment advice is becoming more direct.

2.2 Significant Developments in the Regulation of Finfluencers

Several important things have happened that have led to rules for financial influencers in many countries.

- The growth of media has changed how people talk about money. Now individuals can reach millions of investors without being part of an institution.
- The rise of cryptocurrency markets has shown the risks of celebrities promoting things without telling their fans they are being paid. There have been high-profile cases where influencers promoted crypto assets without saying they got paid.¹²
- In the United States the SEC has started cracking down on people who promote securities on media without following the rules.

⁹ Investment Advisers Act of 1940, 15 U.S.C. § 80b-1.

¹⁰ Financial Services and Markets Act 2000, c. 8, § 21 (UK).

¹¹ Securities and Exchange Board of India Act, 1992, No. 15 of 1992, India

¹² SEC v. Kim Kardashian, Securities and Exchange Commission Release No. 34-95937 (2022).

- In the United Kingdom the FCA has been keeping an eye on online financial promotions and has warned people about unauthorized financial messages on social media.
- SEBI in India has been talking about how to regulate influencers and has introduced new measures to stop unregistered people from giving investment advice online.
- International groups like the International Organization of Securities Commissions have said that countries need to work to deal with the risks of digital financial promotions and online influencers.¹³

These changes show that old rules for securities need to be updated to deal with the challenges of communication and the growing influence of social media personalities on what retail investors do. Financial influencers are becoming more important. We need to regulate them.

The use of media and online platforms is changing how people make financial decisions and this needs to be addressed. Financial influencers can have an impact, on retail investors so we need to make sure they are following the rules.

3. Legal Framework

The rules for influencers are different in different places but they are usually based on keeping investors safe being transparent keeping the market fair and stopping people from doing bad things. Financial influencers are a new thing but the laws about securities in India, the United States and the United Kingdom already have ways to hold people responsible for giving bad investment advice promoting things in a deceptive way and doing advisory work without permission.¹⁴

The problem for regulators is that a lot of influencers say they are teachers, not financial advisers. So it is really important to figure out if something someone is saying's investment advice, a promotion, analysis or just their own opinion. The people, in charge are looking more at what financial influencers actually saying, rather than what they call themselves. They are looking at the influencers and the things they say to see if they are really giving investment advice or not. The regulators are trying to make sure that financial influencers are not doing things that they are not supposed to do, like giving investment advice without permission. The financial influencers are being watched closely by the regulators to make sure they are following the rules.¹⁵

¹³ IOSCO Final Report on Retail Market Conduct and Finfluencers 18 (2024).

¹⁴ Howell E. Jackson & John C. Coffee Jr., *Capital Markets Regulation* 35 (5th ed. 2022).

¹⁵ Iris H.-Y. Chiu, *Regulating Finfluencers and Digital Investment Communications*, 18 *Capital Markets L.J.* 211, 227 (2023).

3.1 Legal Framework in India

India has a system to regulate securities. It is mostly taken care of by the Securities and Exchange Board of India. This organization gets its power from the SEBI Act that was made in 1992. The main goal of this act is to protect the people who invest money and to control the securities market.¹⁶ The number of people who give advice on money matters on media is going up. So the Securities and Exchange Board of India is looking into whether the advice given on media, about investments is something that they should be controlling. There are some laws that help decide how to control this kind of behaviour.

i. SEBI Act, 1992

The Securities and Exchange Board of India Act is the law that controls the securities markets in India. The Securities and Exchange Board of India Act has a section called Section 11 that gives the Securities and Exchange Board of India the power to do what is necessary to protect investors and make sure the securities markets grow in a way. This part of the Securities and Exchange Board of India Act has been understood to mean that the Securities and Exchange Board of India can step in when there are communications that are not true and that can affect how investors behave.

ii. SEBI (Investment Advisers) Regulations, 2013

The rules for Investment Advisers say that people who give investment advice and get paid for it need to register with SEBI. If someone suggests which securities or investment products to buy or how to manage a portfolio and they get paid for it they might have to follow these rules.¹⁷ Many influencers tell people which stocks to buy and they get money from people who subscribe to their services or, from companies that sponsor them or from commissions when people buy something they recommended or from affiliate marketing. In these cases the regulators might say that the influencer is basically acting like an investment adviser. They are not registered.

iii. SEBI (Research Analysts) Regulations, 2014

The Research Analysts Regulations are rules that apply to people who make or share reports about securities. These rules say that people have to tell others things and they have to avoid having interests that conflict with each other. They also have to sign up to follow these rules. Some people who talk about money and share detailed thoughts, about stocks might be considered Research Analysts if what they say meets the requirements of the Research Analysts Regulations. The Research Analysts Regulations have criteria that have to be met.¹⁸

iv. Prohibition of Fraudulent and Unfair Trade Practices

The Securities and Exchange Board of India rules, which are called the SEBI regulations were made in the year 2003. These rules do not allow people to do things in the securities market like cheating or being unfair. If someone tells lies

¹⁶ Securities and Exchange Board of India Act, 1992, No. 15 of 1992.

¹⁷ SEBI (Investment Advisers) Regulations, 2013.

¹⁸ SEBI (Research Analysts) Regulations, 2014.

or gives information about a security and they do this on purpose to get people to invest then this is, against the SEBI regulations.¹⁹

If an influencer talks about a security. They do not tell people that they are getting paid to say this or if they own some of this security then they might get in trouble. This is because they are hiding information and this is not allowed under the rules that prevent cheating.

v. Recent SEBI Measures Concerning Finfluencers

Recognising the growing power of media influencers SEBI has recently introduced rules on partnerships between regulated entities and unregistered financial influencers also known as finfluencers. These measures aim to stop individuals from giving investment advice indirectly by teaming up with registered market players. The regulatory approach adopted by SEBI shows a shift towards accountability and transparency in the digital financial world focusing on SEBI and its regulations. SEBI is taking steps to ensure that influencers do not mislead people with investment advice. This move, by SEBI is expected to bring transparency and accountability to the digital financial ecosystem.²⁰

3.2 Legal Framework in the United States

The United States has one of the systems in the world for regulating securities. The Securities and Exchange Commission, which is the authority in charge of protecting investors and making sure the markets are fair and work well. The Securities and Exchange Commission does this to help the Securities and Exchange Commission keep the markets safe for people who invest in the United States. The Securities and Exchange Commission is very important, for the United States.²¹

i. Securities Act of 1933

The Securities Act of 1933 is a law that regulates securities offerings. It does not allow people to make fake statements when they are buying or selling securities. There is a part of this law called Section 17(b) that is often referred to as the -touting provision. This provision says that people have to tell others if they are getting paid to talk about securities. This rule is very important when it comes to people who have a lot of influence over others like influencers and celebrities who endorse things. If someone is getting paid to tell people about securities they have to be very clear about what they're getting paid who is paying them and how much they are getting paid. The Securities Act of 1933 and the anti-touting

¹⁹ SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003

²⁰ Umakanth Varottil, Investor Protection and Securities Regulation in India, 14 Asian J. Comp. L. 45, 59 (2019).

²¹ Louis Loss, Joel Seligman & Troy Paredes, Securities Regulation 1489 (6th ed. 2020).

provision are, in place to protect people from activities and the Securities Act of 1933 is still an important law today.²²

ii. Securities Exchange Act of 1934

The Securities Exchange Act does not allow people to do things that're fake or try to trick others when it comes to the market for securities. There is a rule called Rule 10b-5 that says people can get in trouble, for lying leaving out information or doing things that are deceptive when they are buying or selling securities. A financial influencer who knows they are sharing information to get investors to do something may have to deal with the Securities Exchange Act and Rule 10b-5. They might have to go through civil enforcement proceedings because of this. The Securities Exchange Act and Rule 10b-5 are rules that help keep the securities markets fair and honest.²³

iii. Investment Advisers Act of 1940

The Investment Advisers Act is a law that oversees people who give investment advice and get paid for it. These people have to follow rules like registering and being honest, with their clients when they work under this law.²⁴ Whether. Not a financial influencer is considered an investment adviser depends on things like if they get paid how often they give advice and if the advice is tailored to specific people.

iv. SEC Enforcement Against Influencers

The Securities and Exchange Commission has been taking action, against people, social media influencers and people who promote things online because they do not tell people they are getting paid to talk about investments. There have been some cases where people got in trouble for talking about cryptocurrency without saying they were getting paid.²⁵ The way things are done in America is to protect investors by making people tell the truth and by going after people who try to cheat others.

3.3 Legal Framework in the United Kingdom

The United Kingdom has rules to control promotions. These rules are mainly based on the Financial Services and Markets Act 2000. The rules made by the Financial Conduct Authority. The main goal of these rules is to make sure that people get information that is fair easy to understand and not confusing. The United Kingdom wants to make sure that financial communications are fair, clear and not misleading.²⁶

i. Financial Services and Markets Act 2000

The law in the United Kingdom Section 21 of FSMA says that people who are not allowed to do so cannot tell others to invest in something unless they get permission from someone who is authorized. This rule is very important for

²² *SEC v. Blinder, Robinson & Co.*, 542 F. Supp. 468 (D. Colo. 1982).

²³ SEC Rule 10b-5, 17 C.F.R. § 240.10b-5.

²⁴ Investment Advisers Act of 1940, 15 U.S.C. § 80b-1.

²⁵ SEC Release No. 34-95937 (2022).

²⁶ Niamh Moloney, *Financial Services Law* 675 (4th ed. 2023).

controlling what people can say to try to get others to invest money. A finfluencer who tells people to buy investment products without getting the right permission is probably breaking the law, which's the Financial Services and Markets Act or FSMA for short and the rules that come with it like the ones, about financial promotions and what a finfluencer can and cannot do.

ii. FCA Financial Promotion Rules

The Financial Conduct Authority requires that all financial promotions are fair, clear and accurate. They must not make the benefits sound better than they are, hide the risks or make people think they will get returns that're not realistic.²⁷

The Financial Conduct Authority has been warning social media influencers more and more about what they need to do to follow the rules for promotions. When people communicate online they have to follow the rules that apply to regular advertising and financial marketing.

iii. Consumer Duty and Investor Protection

The government has made some changes that make companies and people give financial information to consumers. The Financial Conduct Authority has a plan called Consumer Duty that says companies have to be honest and fair when they talk to consumers. They also have to make sure they do not hurt consumers on purpose.²⁸ These rules are really important when we talk about finfluencers because regular investors do not always know a lot about money and can easily believe advice, from finfluencers.

iv. Regulatory Action Against Misleading Promotions

The Financial Conduct Authority has been keeping an eye on the way people market things online and they have taken action against companies that make investment offers without permission. The Financial Conduct Authority has also worked with media sites, like Facebook to get rid of posts that do not meet the rules for talking about financial products. The United Kingdom is really taking action when it comes to dealing with the problems that come with talking about money on media. The United Kingdom is doing a lot to fix these issues. This is because the United Kingdom wants to make sure that people are safe when they use media to talk about money. The United Kingdom is one of the countries that is doing the most to address these problems with media and money.²⁹

4. Current Status of Finfluencer Regulation

The way things are now with influencers shows that people are starting to understand that social media is a big place where people get information about investing. In India the United States and the United Kingdom, the people who make the rules are paying attention to the problems that come with bad investment advice and people not saying who is paying them to say certain things.³⁰

²⁷ Financial Services and Markets Act 2000, c. 8, § 21 (UK).

²⁸ FCA Consumer Duty Rules, PS22/9 (2022).

²⁹ FCA Annual Report on Unauthorized Financial Promotions 2024.

³⁰ IOSCO, Finfluencers and Digital Engagement Practices Report 21 (2024).

In India the fact that there is much digital financial content now has made the SEBI want to do something about regulating financial influencers. The SEBI is worried about people who give advice on stocks or investment plans or tell people what to do with securities without being registered to do. The fact that financial institutions and social media influencers are working together through arrangements and other agreements is making the SEBI look closer at what is going on.³¹

The United States has taken action against media personalities who promoted securities or crypto-assets without saying they were getting paid to do so. The SEC says that just because someone is promoting something on media does not mean they do not have to follow the rules about saying who is paying them. So social media influencers who promote investment products have to follow the rules as people who promote securities in other ways.

The United Kingdom is also keeping an eye on what people are saying about investments on social media. The FCA says that anything people say online about investments has to be fair, clear and honest. The FCA is working with media companies to find and remove posts that are not allowed and that might trick retail investors.³²

With all these changes there are still some big problems. The fact that things can be posted from anywhere, in the world and that some people online are anonymous and that information spreads quickly on social media makes it hard to enforce the rules. So the people who make the rules are still trying to figure out the way to protect investors and financial influencers are still a big part of this.

5. Liability of Financial Influencers for Misleading Investment Advice

The problem with influencers is that they can get people into trouble when they say things that are not true leave out important information make things sound better than they are or do not tell people about their own interests that could affect what they are saying. Even though the rules are different, in places there are some basic ideas that are the same everywhere and these basic ideas apply to financial influencers.

i. Liability for Misrepresentation

A financial influencer can get in trouble when they give information about a security or an investment product. People who invest often believe what influencers say because they think they know what they are talking about. If what the influencers say is not true or is misleading the people who regulate this stuff

³¹ SEBI Consultation Paper on Association of Regulated Entities with Finfluencers (2024).

³² FCA Finalised Guidance FG24/1 (2024).

can make them pay a fine or stop them from doing it³³ This is true in the United States, Europe and Australia. If a financial influencer says something that's not true and it can change how people decide to invest the regulators might step in. They decide if something is important by thinking about whether a normal investor would care about this information when they are making a decision, about investing in something.³⁴

ii. Liability for Non-Disclosure of Compensation

Financial influencers often do something when they do not tell people that they got paid to promote certain financial products or securities. People who invest their money might think that these influencers are giving their opinions but really they are just saying what they were paid to say. The United States is very strict about making sure financial influencers tell people when they are being paid to promote something. They have laws that say influencers have to be honest about this. The United Kingdom and India have rules. In the United Kingdom they have rules about promoting products and in India people who work with financial products have to be honest, about what they are doing.³⁵

iii. Liability for Unauthorized Investment Advice

Financial influencers often try to stay from rules by saying what they post is for learning not for telling people what to do.. When they give really specific tips and get paid for it either directly or indirectly the people in charge might say they are giving investment advice without being allowed to.³⁶ This can get them into trouble like being stopped from doing things in the future having to pay fines and hurting their reputation. So it is really important to know the difference, between teaching people something and telling them what to do when it comes to influencers and the rules they have to follow.

iv. Liability for Market Manipulation

Financial influencers can get in trouble when what they do affects the market in a way. This happens when people talk up stocks while they own them but they do not tell anyone. They want to make money when more people buy the stock because of what they said.³⁷ These things are often linked to pump-and-dump schemes which're against the law in most places. The people who enforce the laws are watching media closely to catch people working together to manipulate the market including financial influencers and people online.³⁸

³³ SEC Rule 10b-5, 17 C.F.R. § 240.10b-5.

³⁴ *TSC Industries v. Northway, Inc.*, 426 U.S. 438 (1976).

³⁵ Financial Services and Markets Act 2000, §21

³⁶ Investment Advisers Act of 1940

³⁷ *SEC v. Texas Gulf Sulphur Co.*, 401 F.2d 833 (2d Cir. 1968).

³⁸ IOSCO Report on Market Manipulation Through Social Media Platforms (2023).

6. Challenges and Obstacles

Despite rules being put in place many problems still make it hard to regulate financial influencers effectively. Regulators are paying attention but several challenges remain. The regulation of influencers still faces several challenges. More attention is being given to regulating them. It is still not easy.

i. Definitional Ambiguity

The thing is, we do not really know what a financial influencer is. This means it is hard to figure out what rules they have to follow. It is especially tough to tell the difference between things that are just trying to teach people about money and things that are investment advice from a financial influencer. Financial influencers have to be careful, about this. Financial influencers need to know what they can and cannot say.³⁹

ii. Cross Border Communications

Social media platforms work around the world. This means that influencers in one place can affect investors in a different place. Social media platforms like these cause problems when it comes to figuring out which laws apply and how to enforce them⁴⁰. Social media platforms are, at the centre of this issue.

iii. Rapid Dissemination of Information

Things about investing can get to a lot of people fast, like millions of users in just a few minutes. The people who make the rules often have a time keeping up and stopping bad things from happening to investors once wrong information is, out there.⁴¹

iv. Technological Complexity

The use of algorithms and artificial intelligence is getting bigger and bigger. This is making it really hard for people to keep an eye on things. We are also seeing sponsored content and automated recommendation systems. All of this is making it tough for people, in charge to regulate and monitor what is going on with algorithms and artificial intelligence.⁴²

v. Investor Behaviour

A lot of people who invest their money in stores and things they buy every day really listen to what other people think and say. They like to hear what famous people have to say about something before they put their money into it. They do not always do their research to find out if something is good or not. This is a problem because people can get hurt easily. Even though there are rules to protect investors it is still a concern that people can lose their money because they are not careful. Retail investors are still vulnerable. That is why we need to be careful. Retail investors need to be careful when they listen to what other people say about investing their money.⁴³

³⁹ Iris H.-Y. Chiu, *supra* note 24

⁴⁰ OECD, *Cross-Border Digital Finance Report 2023*

⁴¹ IOSCO *Consultation Report 2024*

⁴² World Economic Forum, *Future of Digital Finance 2024*.

⁴³ CFA Institute, *Retail Investor Behaviour Study 2023*.

vi. Enforcement Limitations

There are a lot of things that can stop enforcement actions from working. For example we do not have all the resources we need. We also have a time finding proof and figuring out who people are when they are online and trying to stay hidden.

To make things better the people, in charge need to work with the companies that own the websites the banks, the people who buy and sell things and the digital platforms.

7. Conclusion

The rise of influencers is a big deal in the financial world right now. Social media has changed the way people get information about investing. It has allowed people who are not part of traditional financial institutions to have a lot of influence over how people invest their money. Financial influencers have done some things like helping people understand more about money and getting more people to invest. They have also caused some problems like giving bad advice not being honest about their interests manipulating the market and not protecting investors.

If we look at what's happening in India, the United States and the United Kingdom we can see that each country is trying to deal with these problems using the laws they already have and they are also trying to update their laws to work with the way people communicate online. The United States is focusing on making sure people are honest about what they're doing the United Kingdom is trying to control how people promote financial products and India is keeping a closer eye on financial influencers through the SEBI.

Even though there have been some improvements there are still some challenges. It is hard to know what is education and what is investment advice.. With new technology and people communicating across borders it is hard to make sure people are following the rules. As social media keeps influencing how people invest the people in charge need to find a balance between protecting investors and not stopping people from getting information and new ideas.⁴⁴

Financial influencers need to be transparent, accountable and honest about what they're doing. They need to make sure investors know what is going on. They need to work together with people, from other countries to make sure the rules are fair and effective. This way social media can help the world in a positive way and investors will be protected from bad advice.

⁴⁴ Howell E. Jackson & John C. Coffee Jr., *Capital Markets Regulation* 782 (5th ed. 2022).

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