

## **Precautions for clients dealing in Options**

Clients who wish to trade in derivatives segments are advised to take extra care while dealing in this segment particularly in “Options”. Before doing any trade in “Options” obtain full knowledge of the product & risk associated and also consider its suitability.

It has also been observed that certain entities are availing the services of influencers to promote “Options” trading, thereby inducing the clients to trade in “Options” without considering the product suitability/knowledge and trading experience of the clients.

Clients who trade in “Options” are hereby cautioned and advised to avoid the practices like:

- a) Sharing of trading credentials – login id & passwords including OTP’s.
- b) Trading in leveraged products like options without proper understanding, which could lead to losses
- c) Writing/ selling options or trading in option strategies based on tips, without basic knowledge & understanding of the product and its risks
- d) Dealing in unsolicited tips through Whatsapp, Telegram, YouTube, Facebook, SMS, calls, etc.
- e) Trading in “Options” based on recommendations from unauthorised / unregistered investment advisors and influencers