

Report of Advisory Group on “Securities Market Regulation” released

The Reserve Bank of India today released the full text of the Report of the Advisory Group on “Securities Market Regulation” on its Website www.rbi.org.in

The Group has reviewed the evolution of the securities regulatory framework, analyzed India’s reform initiatives and their impact and identified some important issues and lacunae of the current regulatory structure which could form the basis for the future reform agenda. The Group has also discussed in some detail, the degree to which the Indian securities regulatory framework is in line with the principles enunciated by the International Organisation of Securities Commission (IOSCO), so as to address the key objectives of protecting investors, ensuring that markets are fair, efficient and transparent, and reducing systemic risk. The recommendations of the Group are made to bring the Indian securities market more in line with international best practices and cover, *inter alia*, enforcement of securities regulation, co-operation in regulation, self-regulation, prudential issues, legal issues, market infrastructure and mutual funds.

The recommendations contained in this Report are the product of independent evaluation and assessment of standards and codes undertaken by non-official experts, and do not reflect the views of the Reserve Bank, or the Government of India or Securities and Exchange Board of India or any other concerned regulatory agencies.

It may be recalled that Standing Committee on International Financial Standards and Codes was constituted in December 1999 under the Chairmanship of Dr.Y.V.Reddy, Deputy Governor, Reserve Bank of India with Secretary (Economic Affairs), Government of India as Alternate Chairman in order to identify and monitor developments in global standards and codes, consider aspects of applicability of these standards to Indian financial system, periodically review the status and make available its Reports to all concerned organisations in public or private sector.

The Standing Committee constituted ten Advisory Groups consisting of experts in different subject areas. The Advisory Group on “Securities Market Regulation” was one among these Groups with Shri Deepak S. Parekh as the Chairman and Sarvashri Shitin Desai, I.C.Jain, Nimesh Kampani, Uday Kotak and Ravi Narain among Members. The Advisory Group on Securities Market Regulation submitted its report to the Standing Committee on May 2, 2001. In accordance with the terms of reference of the Standing Committee, the reports of the Advisory Groups are being made available to the public for wider discussion.

**Alpana Killawala
General Manager**

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