www.vishnuias.com

VISHNU IAS

Topic wise content

https://t.me/vishnuiasmentor

https://www.youtube.com/channel

Securities and Exchange Board of India (SEBI)

Notes for civil services preparation

Online & Offline classes

Test Series

One-Stop Solution

Free daily materials

UPSC

General Studies

Securities and Exchange Board of India (SEBI)

About

- SEBI is a **statutory body** established on April 12, 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992.
- The basic functions of the Securities and Exchange Board of India is to protect the interests of investors in securities and to promote and regulate the securities market.

Background

- Before SEBI came into existence, Controller of Capital Issues was the regulatory authority; it derived authority from the Capital Issues (Control) Act, 1947.
- In April, 1988 the SEBI was constituted as the regulator of capital markets in India under a resolution of the Government of India.
- Initially SEBI was a non statutory body without any statutory power.
- It became autonomous and given statutory powers by SEBI Act 1992.
- The headquarters of SEBI is situated in Mumbai. The regional offices of SEBI are located in Ahmedabad, Kolkata, Chennai and Delhi.

Structure

- SEBI Board consists of a Chairman and several other whole time and part time members.
- SEBI also appoints various committees, whenever required to look into the pressing issues of that time.
- Further, a **Securities Appellate Tribunal (SAT)** has been constituted to protect the interest of entities that feel aggrieved by SEBI's decision.
- SAT consists of a Presiding Officer and two other
- It has the same **powers as vested in a civil court**. Further, if any person feels aggrieved by SAT's decision or order can **appeal to the Supreme Court**.

Securities Appellate Tribunal (SAT)

- **SAT is a statutory body** established under the provisions of the Securities and Exchange Board of India Act, 1992.
- It is to hear and dispose of appeals against orders passed by the Securities and Exchange Board of India or by an adjudicating officer under the Act; and to exercise jurisdiction, powers and authority conferred on the Tribunal by or under this Act or any other law for the time being in force.
- Consequent to government notification dated 27th May, 2014; SAT hears and disposes of appeals against orders passed by the Pension Fund Regulatory and Development Authority (PFRDA) under the PFRDA Act, 2013.

- Further, in terms of government notification dated 23rd March, 2015, SAT hears and disposes of appeals **against orders passed by the** Insurance Regulatory Development Authority of India (IRDAI) under the Insurance Act, 1938, the **General Insurance Business (Nationalization) Act, 1972** and the **Insurance Regulatory and Development Authority Act, 1999** and the Rules and Regulations framed there under.

Powers and Functions of SEBI

- SEBI is a **quasi-legislative and quasi-judicial body** which can draft regulations, conduct inquiries, pass rulings and impose penalites.
- It functions to fulfill the requirements of three categories –
    - **Issuers –** By providing a marketplace in which the issuers can increase their finance.
    - **Investors –** By ensuring safety and supply of precise and accurate information.
    - **Intermediaries –** By enabling a competitive professional market for intermediaries.
- By **Securities Laws (Amendment) Act, 2014,** SEBI is now able to regulate any money pooling scheme worth Rs. 100 cr. or more and attach assets in cases of non-compliance.
- SEBI Chairman has the authority to order **"search and seizure operations"**. SEBI board can also seek information, such as telephone call data records, from any persons or entities in respect to any securities transaction being investigated by it.
- SEBI perform the function of registration and regulation of the working of venture capital funds and collective investment schemes including mutual funds.
- It also works for promoting and regulating self-regulatory organizations and prohibiting fraudulent and unfair trade practices relating to securities markets.