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Title: The Motion for consideration of the International Financial Services Centres Authority Bill, 2019 (Motion adopted and Bill passed).

माननीय अध्यक्ष: अब मद संख्या 25 - अंतर्राष्ट्रीय वित्तीय सेवा केन्द्र प्राधिकरण विधेयक, 2019 ली जाती है ।

THE MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN): Sir, I beg to move:

“That the Bill to provide for the establishment of an Authority to develop and regulate the financial services market in the International Financial Services Centres in India and for matters connected therewith or incidental thereto, be taken into consideration.”

माननीय अध्यक्ष: माननीय मंत्री जी विधेयक के बारे में प्रस्तावना रखना चाहती हैं?

श्रीमती निर्मला सीतारमण: जी हाँ सर ।

माननीय अध्यक्ष: संक्षिप्त में रख दीजिए ।

SHRIMATI NIRMALA SITHARAMAN : Sir, around 2008, a Committee was appointed by the Ministry of Finance, and the Committee was headed by an eminent person called Shri Percy Mistry. He had gone through the entire issue of Financial Services and even at that time, by 2008, it was felt that by 2015 up to US\$ 50 billion will be spent on International Financial Services by the Indian companies and that amount would obviously be going outside of the country because we do not have an International Financial Services Centre.

Therefore, from then, the necessity of having a Financial Services Centre in India was recognised. In 2011, a Section in the SEZ Act, namely, Section 18

was brought in distinctly for establishing a Financial Services Centre. Then, by 2015, it was made completely operationalized because the various regulators who deal with various financial institutions such as the RBI, the SEBI, the PFRDA and so on started issuing their notifications to regulate those institutions, which are now functioning in the GIFT-City of Ahmedabad, which we, in short, refer to as International Financial Services Centre.

Just to give you a status of what is there, the India's stock exchange, the BSE, has set up the INX there; the National Stock Exchange has established the IFSC Stock Exchange there; and the daily volume crossed US\$ 4 billion already. Besides this, there are about 13 international banking institutions, which are functioning from there. Banking transaction alone has crossed US\$ 24 billion. There are 40 or more operational brokers there, and about 100 plus are licensed. Insurance players are also already active there. There are about 19 plus players, all in the re-insurance business, and insurance intermediaries are also present there. Now, there are about 30 plus entities in IT and IT enabled services. All of these are bringing a certain advantage to India and Indian companies because now they do not need to go elsewhere to deal with international markets, to access international markets, to access international currencies, and also to participate in international financial functions.

Now, through this Bill, we are largely doing two things. One, we are bringing several of these regulators together as one unit to the limited extent of having to deal with the various institutions, which are present in the IFC. Together with it, we are also making it clear and defining as to what are the actual businesses, which are being recognized there. We are defining the various financial products whether they are services or institutions. We are also defining IT enabled services in the financial sector.

They alone, in that IFSC, are providing employment to more than 10,000 people all of whom are engaged actively in the backroom processing of financial matters for global companies. Therefore, in short, what I would like to say at the beginning, in the opening remarks, is that this Bill is something,

which was foreseen a long time ago. We wanted a unified authority to deal with a particular specialised financial services hub. We will, because it is established now, have something similar to London or Singapore in terms of international financial hub which will be giving the opportunities to Indian companies to be able to access international markets and deal with international markets through this centre. It has already been given quite a few tax concessional benefits. This Bill was earlier proposed in the Rajya Sabha but however because it was meant to be tabled only in Lok Sabha, being the Finance Bill, we had to withdraw from Rajya Sabha in spite of having obtained the Cabinet's approval in February, 2019.

Sir, it was withdrawn from Rajya Sabha. We have now come before Lok Sabha for consideration. Thank you very much, Sir.

माननीय अध्यक्ष: प्रस्ताव प्रस्तुत हुआ:

“कि भारत में अंतर्राष्ट्रीय वित्तीय सेवा केन्द्रों में वित्तीय सेवा बाजार विकसित और विनियमित करने हेतु एक प्राधिकरण की स्थापना के लिए और उससे संबंधित या आनुषंगिक विषयों का उपबंध करने वाले विधेयक पर विचार किया जाए।”

SHRI KARTI P. CHIDAMBARAM (SIVAGANGA): Hon. Speaker, Sir, this House has spoken about the state of economy many times. Many opinions have been voiced; statistics have been bandied about; and the Minister also gave some large numbers right now but economics is not only about numbers. Numbers sometimes do not tell the whole story. Numbers can be antiseptic. But the real story is the human story. When business is down, when people are not selling enough, there is a human cost. When a builder is not able to sell flats, he is not going to build more flats. What does it mean? It means that masons, bricklayers, electricians, plumbers are all not employed. When people are less employed, it means they have less money in their wallets. If they have

less money in the wallets, it means they spend less. It also perhaps mean they go with empty stomachs. While numbers definitely tell a story, the human story is much more poignant and much more potent. What we can keep debating about economics until the cows come home. There is a popular joke in academia, if you put five economists in a room, you will get six opinions. I have an opinion myself. The Government really should be focusing on the demand side and not on the supply side. We can have a debate about this much later. But we should never ever forget the human story behind the economy. Under this backdrop, we have a Government today which constantly wants to portray a feelgood nationalistic story and glosses over not so pleasant and less than glamorous reality. True introspection will give better answers. But the Government's insensitivity or incomprehension of the realities of life for the most unfortunate comes off often. As it did recently with the onion episode.

15.53 hrs

(Dr. Kakoli Ghosh Dastidar *in the Chair*)

I understand the Government's desire to create an economic hub of international standards in India. It is indeed a laudable goal. I am given to understand that the inspiration came when our Prime Minister when he was the Chief Minister of Gujarat visited Singapore in 2007, which is why the Gujarat International Financial Tech City, which is popularly called the GIFT city was envisioned. But hear me out. But overambitious, grandiose scheme without thinking about the practicalities of a successful venture is the trademark of this Government.

Before going into the intricacies of the Bill, I would like to point out to this House that there is only one international financial services sector in India today, which is the GIFT city. So, when you think about the provisions of this Bill, where it will be applied, and who are the beneficiaries, it will only be applied to the thousand acres of land in India's favourite State, and to the GIFT city in Gandhi Nagar. It will not apply to anything, anywhere else, it will only apply to the GIFT city. This law is only for the GIFT city.

Ask any young MBA or Financial or Economic student of a reputed university, be it Harvard or Cambridge, where would you like to go out and work? Their answer would always be, I would like to go out and work in the city. When they say `city`, they really mean New York, London or Singapore and the Minister herself, in her opening remarks, alluded to Singapore and London.

What is common among these places? While they have the biggest financial institutions and banks, they also have a great quality of life, they have a great vibe, and more importantly, they have a liberal environment which holds all of that together. It is not enough to have liberal markets, you rather need liberal cities. What this Government needs to realise is that it is not just enough to create institutions, build tech parks and offer tax rebates. The reason why New York, Singapore and London are what they are today is because of the societal infrastructure. The hon. Finance Minister herself has worked in London and I am absolutely sure she understands what I am talking about. It takes a lot more than regulations and authorities to create a cultural hub and a business hub.

For businesses to thrive, you need to attract global talent. When I say global talent, I do not mean just NRIs or Indians who go, study abroad and come back, but truly non-Indian global talent from the biggest universities. Global talent is definitely not attracted to a nation which exercises curbs on individual freedom, lashes out on dissent and where exists rampant moral policing.

The GIFT City is highly impractical. It ignores such issues as location and steel availability. Realistically speaking, no young financial professional in the world wants to go and work in a dry State. Let us be very clear. Everybody who works in New York, London and Singapore, wants to have a real life; nobody wants to go and work in a dry State, that too in the middle of nowhere, especially when they have graduated from the top universities in the world and are coming from cosmopolitan and metropolitan backgrounds. Most companies

will be willing to pay higher rents and operate out of Bombay where the talent pool exists rather than working out of Gandhinagar.

This GIFT City is also mired in controversy and delays. Grandiose infrastructure targets have failed to materialise. Only 3 million sq. ft. of the 62 million sq. ft. planned development has been completed so far. IL&FS, the company which was given the contract to set up the city, is being investigated for fraud. It has defaulted on its debt. Despite being a public authority and being within the ambit of the RTI Act, the GIFT City is not complying with the Act. The project also does not offer itself to C&AG Audit. In fact, I have read the newspaper reports that the support services like restaurants which have been set up in the GIFT City are struggling because there is not enough business for them.

Madam, I keep mentioning all this because it is important to note that we do not have any other functioning IFSC elsewhere in India so far. This Bill, being considered in the House today, is applicable to only one place. Therefore, it is imperative for this House to understand the viability. The status of this project is also brought to light before going into the intricacies of this Bill.

Now, coming to the Bill itself, while I commend this Government in its noble and well-intentioned, although far-fetched, given the current economic scenario, endeavour to build a global financial hub in India's favourite State. Any efforts to streamline the existing regulatory processes must first be questioned on their spirit. There exists the letter of the law and the spirit of the law. The spirit of the law must be benevolent. The mindset of the institutions should be to facilitate the business, not just to be the regulators of the business. Here, the Bill becomes problematic.

I have just four points to make. In the efforts to get rid of multiple layers of bureaucracy, the creation of the IFSC Authority should not lead to a turf war between the new and the old authorities like RBI, SEBI and IRDA.

The old authorities like RBI and SEBI will no longer have the power. What happens to any pending proceedings? The creation of a Central Regulatory Authority seems to be a hobby of this Government which does not realise that the tasks of this nature require due diligence and specialisation. The officials working in SEBI cannot do the same work as those of RBI. The Government must clarify where the human resources for this unified authority will come from.

माननीय सभापति: माननीय सदस्य, आपकी पार्टी के और भी वक्ता बोलेंगे, इसलिए आप अब अपनी बात खत्म कीजिए ।

SHRI KARTI P. CHIDAMBARAM : I need a couple of more minutes, Madam. In its effort to become a 'Jack of all trades', the authorities will be reduced to the 'Master of none'.

माननीय सभापति: आप एक मिनट में अपनी बात खत्म कीजिए ।

SHRI KARTI P. CHIDAMBARAM : Madam, I have just three more points. Interestingly, the Bill provides for a Performance Regulatory Committee which is a regulator of a regulator. While it is a noble idea to regulate the regulator, the Bill states that the Committee will consist of, at least, two members of the authority. So, in essence, the authority will be reviewing its own functioning. This brings a question whether the authority will be truly independent or one more centralised body of the Ruling Party is to carry out its political bidding. Financial hubs require transparency and clarity in processes. Singapore transformed its economy with the help of transparent and sound legal framework complementing its economy and political stability. The industry needs certainty on regulations and processes.

16.00 hrs

Setting up GIFT-City and creating a unified regulator is all good, but where is the feasibility of the policy in the IFSC? How are you going to attract the best financial and banking firms here?

I urge this Government to first focus on GIFT-City, on creating larger social infrastructure conducive to do business. The Government must aim to enable and create social infrastructure that is on par with other similar projects globally and not a throwback to some conservative area. Otherwise, dreams of competing with IFSC Singapore and London would simply be farfetched.

As it is, businesses in India deal with an alphabet soup of RBI, SEBI, IC, ROC and now with CBI and ED. We should not add to this alphabet soup by creating IFSCA as well. Please focus on that. Thank you.

श्री पी. पी. चौधरी (पाली): सभापति महोदया, मैं इस बिल का समर्थन करने के लिए खड़ा हुआ हूँ। अभी कांग्रेस के माननीय सांसद ने बिल के बारे में अपनी बात रखी। उन्होंने एक बात इस बिल के विषय में अपनी पार्टी की तरफ से रखी कि गुजरात एक ड्राई स्टेट है और वहां दारू नहीं मिलती है, इसलिए यह वहां सबसे सफल नहीं हो सकता है। ये हमेशा गांधी जी के सिद्धांत पर अपने आपको चलने वाला बताते हैं और ये दारू की बात करते हैं कि गुजरात में दारू न मिलने की वजह से यह सेंटर नहीं चल सकता, यह बहुत ही निंदनीय बात है। मेरे साथी यह भी कह रहे हैं कि ... * ... कह दिया जाए, यह बात मैं नहीं कह सकता हूँ, लेकिन माननीय सांसद कह रहे हैं यह अलग बात है।... (व्यवधान) यह बात हम सेंट्रल हॉल में करेंगे।... (व्यवधान)

माननीय सभापति : निशिकांत जी, आप बैठ जाएं। आप वरिष्ठ सदस्य हैं, आप बैठ जाएं।

...(व्यवधान)

माननीय सभापति : रिकार्ड में सिर्फ माननीय सदस्य पी.पी. चौधरी जी की बात ही जाएगी।

...(व्यवधान)...*

माननीय सभापति : चौधरी साहब, आप चेयर की तरफ देख कर बोलिए।

...(व्यवधान)

SHRI P. P. CHAUDHARY : Madam, the International Financial Services Centre Authority Bill is in fact a gamechanger for our country. The impact of this Bill is immense. If you question as to how India can become a global financial centre, the complete answer for that can be found in this Bill. I extend my thanks to hon. Finance Minister and hon. Prime Minister for their vision in bringing this important piece of legislation before this august House.

We have adopted the policy of liberalisation in 1991 and after the expiry of so many years we are bringing this Bill before the House. When the Special Economic Zones Act, 2005 was enacted, specific provision was made under Section 18 of that Act that such an International Financial Services Centre Authority can be established in the SEZ for providing tax exemption and many other exemptions. This is the first time that this Bill is before this august House. First time in 2015, a decision was taken by hon. Prime Minister Narendra Modi Ji for bringing in the GIFT-City the International Financial Services facility.

Apart from this, the World Bank said that India is a very bright spot among developing and emerging economies and on its liberalisation it can achieve more. If we see the economic development of various countries, then these countries have taken the initiative to develop the International Financial Services Centres in their countries for providing International Financial Services and they have developed the centres. I would like to mention some such countries, namely, New York, London, Frankfurt, Tokyo, Hong Kong and Singapore. The contribution of these centres in the respective countries is immense with respect to economic growth and job creation. Out of 196 countries in the world, around 80 countries have developed the International Financial Services Centres but in India, it is too late and for years together, nobody has visualised it, except Prime Minister, Shri Narendra Modi. He has visualised that such types of centres are very very essential for the economic growth of the country.

Despite the fact that India is one of the largest countries and also a large user of International Financial Services, we are having an open economy. Prior to 1991, we were having a closed economy. Now, we are having an open economy. At present, India's capital account convertibility is still under-developed and contribution to the global financial market is considered negligible. If we see the global market today, the entire globe is one. It is well connected with technology, and in our country, the use of technology is immense.

So, bringing the International Financial Services Centres Authority Bill, 2019 is the need of the hour. If this Bill would not have been there, or if I say, in absence of this Bill, the country is losing 50 billion US dollars per year. This is a report of 2015 by the Finance Ministry. By 2025, we will be losing around 120 billion US dollar per year, if this Bill would not have been enacted. So, this Bill, in India, I can say, is a major game changer and it will certainly boost the economy of the country. It will also prove to be a catalyst for employment generation.

Basically, there is a need to develop International Financial Services Centres in India for expansion of the global economy and strategic influence. It is necessary to promote the International Financial Services Centres because the benefits of this Bill and these centres will be certainly going to the country as well as to the stakeholders, that is, to the capital market. Therefore, one of the imperatives to promote International Financial Services arises from India's deepening linkages and inter-dependencies with the rest of the world. It is also necessary because the economy of any country today depends upon the economy of other countries.

India's reliance on foreign funds to finance its current account deficit, and large purchases of International Financial Services from abroad, weakens its position globally, with significantly adverse implications on its economic and strategic space. It is because we are buying international services, we are taking financial services from abroad.

India is basically a large purchaser of International Financial Services from the rest of the world, and loses significant revenue from the trading of the rupee alone and index derivatives on foreign platforms located outside the country, like we are doing from Singapore, Dubai and London. In trading in rupee derivatives alone – if we count, then it could be more – an IFSC will generate a revenue of Rs.1,500 crore per day, and in one year, it will generate a revenue of Rs.2 lakh crore. That is why I am saying that this Bill is a game changer for the economic development of the country and it will also generate employment.

As on today, we do not have such a centre on-shore. We are buying everything from outside. It may be equity or derivatives market. So, we are increasingly moving off-shore on account of the development of our economy. Once such a centre is established on shore, the trend will be reversed and it will enable best regulatory practices. Tax, provident and pension fund investment policies and on-shore activities will be increased and that is the need of the hour. So far, they were only talking about the GIFT City. But the decision was taken by the Modi Government in 2015 for establishing the GIFT City in Gandhinagar, Gujarat. In the initial 50 days, banking transactions worth USD 100 million were reported. From the Congress side, it was said that it cannot be a successful model in India, especially in Gujarat, where there is prohibition and *daaru* or *sharab* is not available. I would like to make it clear that India's comparative advantages are so many, not just one. Firstly, India's location is such that we can serve all time zones. Secondly, we are having long-standing cultural and trading ties at global level. At the same time, we have capital talent. What else do we need? We will need excellent infrastructure and best regulatory practices. I request the hon. Minister to kindly see that in this centre we have sufficient capital and excellent infrastructure of world standard. I think sufficient safeguards have been provided in the Bill itself for enabling the best regulatory practices. Apart from this, why should India be preferred? Other countries will prefer India because the cost of real estate and the wage cost in our country is lower in comparison to other places where international

financial services centres are available, like Tokyo, New York, Shanghai, Hong Kong and Singapore. Besides, we have professionals; we have the competent persons. There is no dearth of the pool of professionals in our country. We have technical skills in our country. We also have the finest brains in the field of finance. These things are lacking in those countries where these centres are located.

I would like to say that India is a hinterland economy. Places like Singapore and Dubai lack this facility. For New York, the US is there; for London, the entire Europe is there; for Hong Kong, China is there. We can also develop it. So, it is wrong to say that after this Bill is passed, this centre will not function properly. In fact, it can work very well because we have the hinterland economy. The Finance Ministry has taken an initiative in this direction and we have to compete with Dubai, Singapore and Hong Kong.

We have seen the agony of the brain drain. After the establishment of this centre, the trend will be reversed and we will have brain gain. This will result in re-importing of securities in Indian market. For sustainable growth and development of the country, manufacturing sector alone will not be sufficient. Therefore, the hon. Finance Minister has rightly said that we have to develop ourselves in the international financial services sector and IT and IT-enabled services. It can boost the economy on this count also and generate employment. So, again I can say at the cost of repetition that this Bill and this provision for establishment of an International Financial Services Centres Authority can prove as a catalyst for these services.

So far, we have been talking about GDP index so many times but at the same time we should not fail to understand that one more index is very important in our country because we are having a very different set up for centuries together, that is the Happiness Index. Along with the GDP index, we have to harmonise the balance; we have to strike a good balance. In the last five years the Narendra Modi Government has initiated schemes. समाज के अंतिम छोर पर जो व्यक्ति बैठे हैं, उन लोगों के लिए योजनाएँ लाई गई हैं, चाहे गैस के

चूल्हे की योजना हो, आवास की योजना हो, शौचालय की योजना हो या आयुष्मान भारत योजना के तहत पाँच लाख रुपये के इलाज की योजना हो, जिसके तहत पचास करोड़ लोगों को कवर करने की योजना हो। हो सकता है कि वर्ष 2015-16 में हमारे देश का जीडीपी ग्रोथ ज्यादा थी, लेकिन जब हम बात करते हैं और आज हैपिनेस इंडेक्स की जो बात आती है, we have to see that along with the GDP index the Happiness Index is also increasing. In the coming years, if such type of Bills are brought, economic growth will be certainly immense as I have stated.

In India, we have seen that so many financial sectors are there like commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds and mutual funds. For these financial sectors, the regulators like RBI are dealing with commercial banks, urban co-operative banks, financial institutions, non-banking financial institutions; NABARD is dealing with the regional rural banks and co-operative banks; the National Housing Bank is dealing with the housing finance companies; and the Department of Corporate Affairs is dealing with corporate deposits. So, this is a dual authority. So far as the co-operatives are concerned, their management is with the State or with the Central Government depending upon the co-operative society whether they are multi-state or state co-operative societies. So far as the banking part is concerned, that is with the regulator. So, there is a need to remove this dichotomy. Apart from this, there is SEBI dealing with capital market and mutual funds; IRDA dealing with insurance; PFRDA dealing with pension funds. So, there are different regulators for different sectors. This Bill is going to unify all these sectors and whatever powers are being exercised by those regulators will be exercised by this particular Authority. So, it would be very easy and convenient and enhance the ease of doing business.

We see that financial regulation based on the product is covered by different Acts. Various Acts and enactments are there. Under all these Acts and enactments, each product is separately regulated by the institutions. There are so many institutes. We see in the Second Schedule the amendment has been

done with respect to a particular provision giving power and authorising the Authority to exercise the power with respect to that Act. Earlier the work allocation with respect to various regulators and various sectors was not so well defined. Therefore, sometimes, there was overlapping; sometimes, disputes arose. It created a lot of a problem for a particular sector by a particular regulator. So, there were problems with multiple regulators in India. There were different regulatory requirements posing so many challenges. ... *(Interruptions)* I am concluding in just a minute. There was a regulatory gap. For instance, we have seen the ponzi schemes. On account of the regulatory gaps in various sectors and various regulators, they had taken advantage of the situation and people had been cheated. The ponzi schemes were not regulated by any of the existing agencies. So, the overlap of the regulators and conflict on account of multiple regulators was always there.

So far as the legislative structure of the financial sector in India is concerned, as on today we have 60 Acts and multiple rules and regulations in force since 1950. The purpose, the spirit and the motto of these legislation was to ban certain financial activities. The RBI Act was enacted way back in 1934. The Insurance Act was enacted in 1938. The SEBI Act was enacted in 1956. Now, there is a change in the financial landscape. At that time, the financial landscape was different. ATM or the credit card was not there at that time....*(Interruptions)* Madam, do not worry. You can deduct the time taken by me out of the total time allotted to my Party.

At that time, we did not have Internet banking, investment advisory services, private banking and so many other modern technologies. So, these enactments are quite old. FDI was facing tremendous hardship at that time. This Bill will provide the ease of doing business.

So far as the reforms in financial sector are concerned, today we are a globalised world and there is a growing interconnection between various countries....*(Interruptions)* I am just concluding, Madam.

If you see the composition of the Authority; the Chairperson to be appointed by the Central Government, one member each to be nominated by RBI, SEBI, the Insurance Regulatory and Development Authority of India and the Pension Fund Regulatory and Development Authority, and two Members from amongst the officials of the Ministry dealing with Finance are to be nominated by the Central Government. So, the composition of the Authority is outstanding and it will function extraordinarily.

Apart from the Authority, the Performance Review Committee has also been provided in the Bill. The Performance Review Committee will adjudge the working of the Authority and from time to time report to the Government of India with respect to its functioning. Tax exemption has also been provided.

I once again support this Bill. Thank you.

SHRI D.M. KATHIR ANAND (VELLORE): Hon. Chairperson, Madam, I am so happy and privileged to debut and deliver my maiden speech in this august House.

I have come here after being elected from Tamil Nadu State, the home of poets, visionaries and self-respect, revolutionary and social movements. I represent Vellore Parliament constituency, which is the land of heritage, culture and valour. Vellore showcased the first ever large-scale violent Indian sepoys mutiny against the East India Company. The historians call it the land that debuted its first freedom struggle for India's Independence. I am proud of my town, Madam.

I also take a lot of pride in mentioning that I hail from the DMK Party, founded with and by the principles of Thanthai Periyar and Peraringar Anna, the revolutionaries who changed the face of politics in Tamil Nadu and even across India.

I would first like to thank the people of Vellore for their mandate and their longstanding belief in self-respect and Dravidian principles that I hold close to my heart. I am thankful, grateful and indebted for my life to the voters of Vellore parliamentary constituency. All of us, if not always, must have felt this destiny and the high sense of responsibility for which we are being called to be here in this House.

Madam, five years back my great legendary Leader, Dr. Kalaignar M. Karunanidhi, the former Chief Minister of Tamil Nadu, wanted me to be elected to this august House. His wish was made true and possible only by our leader, a patriot with a philosophical outlook, a politician with constructive gifts, an able administrator with the streak of evangelism, a reformer with a crusading zeal, a statesman and a strategist of high order. None other than our DMK Party Leader, Sri Muthuvel Karunanidhi Stalin fondly called by the masses as Thalapathy M.K. Stalin is one of the most powerful influences in the contemporary politics. He, along with me, gifted to this House the finest parliamentarians from Tamil Nadu. They are men of calibre, vision, knowledge and character that it lacked in the past five years.

I would be cursed if I do not thank my mother, Shrimati Santha Kumari and my mentor, guide and philosopher, my dad, Shri Duraimurugan, who is the Deputy Leader of Opposition in Tamil Nadu Assembly, treasurer of DMK Party, and 11 time MLA from the same Katpadi constituency. My dad is one of the intellects with ability to accurately assess situations and resolve them within matchless time and now observing his son from the gallery.

HON. CHAIRPERSON : Hon. Member, you speak on the Bill.

SHRI D.M. KATHIR ANAND : Madam, this is my maiden speech. I am coming to the point.

My heartfelt thanks and gratitude to my parliamentary colleagues, Sri T.R. Balu, Shrimati Kanimozhi Ji, Sri Raja, Sri Jagathrakshakan, Sri Dayanidhi Maran and my youth leader, Sri Udhyanidhi Stalin.

Let me now try to focus on the International Financial Services Centres Authority Bill. In continuation of the discussion on the Bill, I would like to state that nobody has the monopoly of wisdom or knowledge. In spite of having the most creative entrepreneurs, the most dynamic business leaders and the sharpest financial brains in the world, we are still affected by three basic problems – poverty, unemployment and foreign exchange trade deficit.

One's patriotism is questioned when actions of the State are criticised. So I have to be careful and thoughtful in my statements. The Bill has challenges which it has to overcome. Today, India's economy is facing a lot of challenges. The GDP growth rate is declining. The exports are on a downward trend. The unemployment rate is high. The consumer spending is low. The capacity utilisation is falling. The investment figures tell us that the business confidence is down. The Indian economy is also leaking out its cash reserves by the Liberalised Remittance Scheme. Its percentage is also growing.

The Centre for Sustainable Employment of Azim Premji University tells us that 9 million jobs or above have been lost in the last six years.

Madam, if an economy has to boom and if a country has to shine, you definitely need foreign investment. The trade has to be smoothed out but the country is now facing big challenges and because of that the investors are afraid to come to this country. There is a fear in the Government as well as in the economy whether this economy is going to stand strong or it is going to break.

The hon. Minister has presented this Bill before this august House for passing because the International Financial Services Centre Authority has to be established in the GIFT city but that GIFT city is already facing its failures – the failures of mobility. Why do you have to put all your eggs in one basket kept in Gandhi Nagar? You always have Mumbai which is called the financial hub. You have Kolkata and also Chennai which is supposed to be an automobile and foreign exchange generating State. But the Government is clearly and politely shifting all its eggs to the North-West part of the country. The State of Tamil Nadu is also a big hub and the State should have been considered for setting up of this Centre. It is because the Southern States always have ruled the financial sector. Our previous ruler, Kalaingar Karunanidhi had put in a lot of efforts to establish Special Economic Zones in the State which populated the automobile industry, the software industry as well as the semi-conductor industry. A lot of manufacturing is happening in the South. The State of Andhra Pradesh has got its automobile industry; the State of Karnataka has Infosys and software technology parks, but even then, why is this Centre being set up in Gandhinagar in Gujarat? Earlier, when the GIFT city was established almost 9000 jobs were promised but today the direct and indirect jobs both are not interesting. As has been mentioned by the hon. Lady Member, a lot of institutions had to be moved. Now, we are talking about Remote Management. When all these centres were moved and today when you talk to the people there, when you talk to the investors there, when you talk to the banks which have been moved there, they are not finding it interesting. They say they want to work in an area, in a State and a city where it is already populated and has a booming economy. But the Government is moving it out to a remote area.

An investment target of Rs. 78000 crore had been set for the Special Economic Zone. The city has attracted only Rs. 9800 crore. How will the new Bill attract more investors when there is an overall economic slump? The main partner of GIFT is in huge financial trouble and its future is uncertain, despite huge efforts by this Government to provide needless tax breaks and regulatory

concessions. The GIFT's Chief Executive has chosen to quit. As per newspaper reports, only one shop in the city's market is open in the region. From what we have learnt, GIFT today survives just because of the influence of this Government and nothing else.

Madam, now, I am going to talk about the proposed Authority. The provisions in Clause 21 of Chapter VIII makes the Authority bound to the directions and policies the Central Government might dictate. Secondly, the complete powers of the Authority are not defined and there is a provision provided to the State to "make the rules for implementation of the Act" by notification, making accountability meaningless.

There is also a provision for constitution of a Performance Review Committee under Clause 17 of this Bill which will consist of two members of the same Authority nominated by the Centre to review the functioning of the same Authority. The fact that the members of the Authority itself are in-charge of reviewing the working of the Authority is a matter of concern and such a thing could lead to biased decisions.

One more reason for my scepticism on this version of the Bill is that it seems to give away powers which are controlled by independent authorities to a Centre-controlled one. Though I support the need for establishment of such an Authority that creates special provisions for the Financial Services Centre, I also firmly believe that it should be independent and be able to make its own policy decisions.

Madam, I want to make this very clear that I do sympathise with the necessity of having such an IFSC Authority. In the current political scenario, I am reminded of the time the founder of our Party, Perarinar C N Annadurai stood in the other House and said and I quote:

"Correct us if we are erroneous. Convince us if you have got solid facts. Convert us to your point of view, instead of compelling. Compulsion, especially through law – I need not say it in a House

where there are so many luminaries from the legal profession – it is the worst form of argument.”

Madam, I am not trying to disrespect the mandate this Government has been gifted with. I just want to emphasise the importance of this Opposition to debate the feasibility and accountability of this IFSC and its authority to be constituted.

We are here representing the common man and more importantly, the youth of this nation who are now raising valid questions to transform India into a different India, an India that is compassionate and welcoming, an India that does not lynch its minorities, an India that wants to keep religion out of politics, an India that respects dissent, an India that believes in freedom of expression, an India that questions the people in power and more importantly, an India that works for all of us, not just the rich or the privileged. Our nation is again a nation of diversities in all respects. If we are able to echo that in all our decisions, then we will not get lost in the by-lanes trying to emphasise one way of life or one language or one religion. Then we will never lose our way.

Various factors may be there which go to make foreign investments in India very attractive. First and foremost, when they invest in India, they invest in democracy. Let us protect our democracy, democracy of speech, democracy to do business and democracy to express our views and thoughts and democracy to live happily in this country. When this Government is attempting to trample that democracy, then entire economy will be questioned and therefore, I urge upon this Government and Finance Minister to please release this country out of fear which the investors are facing now. ...
(Interruptions)

Madam, today is the birth anniversary of our great Tamil poet, Barathiyar. I am so happy and privileged to give my debut speech here and also talk on a Bill presented by Shrimati Nirmala Sitaraman. Being from Tamil Nadu, she is the first woman Finance Minister. I congratulate her and salute

her and I am so happy that my first speech in the House has been on her Bill. I know that Madam will support the State of Tamil Nadu which will receive a lot of her attention. We need a lot of support from you, Madam.

PROF. SOUGATA RAY (DUM DUM): Madam, I shall be very brief. The rest of my time may be given to Shrimati Mahua Moitra who will be speaking from my Party.

There is nothing to oppose in the International Financial Services Centres Authority Bill, 2019. The only point is, this Bill is overdue. In 2015, the then Finance Minister, Shri Arun Jaitley announced the setting up of a GIFT City in Gujarat. In February 2019, the Government brought a Bill in Rajya Sabha. It has taken four years from late Shri Arun Jaitley's announcement – may his soul rest in peace – to even bring this Bill to this House.

Shri Karti Chidambaram spoke very well. He said that this Bill is entirely for one GIFT City because there are no other International Financial Services Centres in India at present. You may know that an expert panel headed by former World Bank economist, Percy Mistry submitted a Report on making Mumbai an International Financial Centre in 2007. Bandra Kurla Complex would have been ideal for setting up such an International Financial Institution.

The decision to set up this institution in Gujarat was entirely a political decision. Now I wish the Finance Minister success in her effort. She is going through a bad time, since the economy is in bad shape, with a rate of growth at 4.5 per cent, unemployment at 8.5 per cent, inflation making a come back etc.,

and she is in difficulty. So, it would be good if she can revive part of the economy through this Bill.

But the problem is, the GIFT City, the dream project of the Prime Minister, who is from Gujarat and, maybe the Home Minister, who is also from Gujarat, is in dire trouble. You may know that the GIFT City's future hangs in balance, because the new board of ILFS, which is a non-banking financial company that collapsed, admitted that many of ILFS group companies involved in the project, including the joint venture partner, holding company, IL & FS will not be able to pay off their debt to their financial creditors. So, the basic financial infrastructure of the GIFT City is collapsing.

The GIFT City was a 50:50 joint venture between IL & FS and the State Government-owned Gujarat Urban Development Company. So, maybe the Finance Minister would assure the House that the GIFT City's finances will not collapse. There have been problems because one of the primary objectives behind setting up of the GIFT City was to bring offshore trades based on Indian stocks and currencies to the trading platform in the Indian IFSC. The Centre has been very worried about migration of volumes from the NIFTY's futures to the Singapore Stock Exchange. They currently account for 30 to 40 per cent of the daily turnover in NIFTY.

Madam, the sad thing is that we are a country of 130 crore people. Our Prime Minister talks of making it a 5 trillion-dollar economy. But puny, little places like Singapore, where Mrs. Sule lived for a long time, have become international trading hubs. London and New York were there and now Dubai and Shanghai are coming up, but in 70 years of Independence, we have not been able to make a trading hub in this country.

So, I want the Finance Minister to plug all the loopholes that are present in the GIFT City. The question of setting up another International Financial Services Centre is far-fetched. You will take a decision and then you will take 10 years to set up an IFSC. Now, our hope rests on the Gujarat GIFT City. That

is an unfortunate part that you have to bring this Bill for this purpose. I will not go into the details of the Bill. A new authority will be set up, it will have a Chairman, two full-time Members and it will do away with all the regulators. SEBI, RBI, IRDA and PFRDA will all come under one roof. That will be an advantage and that should be done in any case. It will help in sustaining local economy and it will also do fund raising services, asset management, wealth management, global tax management, global and regional corporate treasury management, risk management operations, merger and acquisition activities. All these are essential services and for that we need a strategic location and a good quality of life.

What did Singapore do? If you want to bring the best, bring the best brains of the financial world to Gujarat to create an enabling environment. So, while I support the Finance Minister in her effort to create an International Financial Services Centre in India to start with Gandhinagar on the banks of Sabarmati river in Gujarat and to continue with other places in the country, I think that the future of GIFT city does not look all that bright. So, I shall request the Finance Minister Madam to remove the clouds of doubt and suspicion and create an enabling environment for an International Financial Services Centre to be set up and work in India.

With these words, I conclude.

SHRI SRIDHAR KOTAGIRI (ELURU): Madam, on behalf of my party, the YSRCP, I rise to support the International Financial Services Centres Authority Bill, 2019 with no reservations. For when it comes to making a mark in the global financial context, effective governance and regulatory mechanisms are pre-requisites of a sound indigenous system.

We have opened up to the forces of globalization almost 28 years ago. Until 2015, Indian corporate entities continued to seek international financial services and transactions in offshore financial centres. However, with the arrival of an IFSC in Gujarat, we have emerged as a progressively competitive financial centre. In just three years after its inception, the IFSC at GIFT city entered the main series of the Global Financial Centres Index and ranked 77 among 100 global financial centres. While the powers and functions of the RBI, SEBI and IRDA under respective Acts shall still be exercised and performed by this Authority, I hope its very existence as a unified entity will make cooperation, coordination and compliance easier.

While we as legislators and Governments are occupied with setting standards for international financial services, products and institutions, one challenge we often overlook is to effectively impose them. I hope we eliminate ambiguities to avoid prolonged court battles, like we have seen in the recent case of TRAI and telecom companies. On a side note, I have to commend the Government in safeguarding public interest in this case and extending support to the companies which were in danger of bankruptcy despite their size. I hope the IFSC Authority Bill will see no such legal ambiguities compromising our credibility both domestically and internationally.

India is hungry for the kind of capital whose cost is at par with the rest of the world. While Indians need access to internationally diversified investments, foreign investors need smooth access to the growing domestic economy. I also think a strong IFSC is backed by a stable local economy and developed infrastructure. We need to grow as an economy to match our aspiring population and develop our infrastructure exponentially to even come close to standards in the West. Even as on today, we are unable to provide basic necessities and good quality of life to our people, be it drinking water, healthcare services, education, sanitation, transportation, housing etc. My own Parliamentary constituency, Eluru, has several issues concerning

infrastructure. Bridges which are almost 70 years old, several small, medium and large irrigation projects which could be the lifeline for large areas are still pending. I must mention that a 500 kms freight canal was proposed by the Central Government between Kakinada and Puducherry almost five years ago, but there is no sign of progress due to lack of funds, forget about cost effective funds.

Meanwhile, we see nations like Singapore, Dubai and China mitigate international capital to achieve tremendous growth while our own capital account convertibility is still underdeveloped. We want to compete with China, yet we are not prepared as we lack a manufacturing base to deliver quality or quantity. A lot of us believe that the trade standoff between Donald Trump and China will escalate and automatically turn into an advantage for India. There is a clear and present danger that if China has to devalue their currency because of the standoff, our exports will lose out on our own trade, forget gaining theirs because of the cost advantage China will gain. I hope, we equip ourselves to fight this uncertainty and take standalone measures so that our exporters get access to cheaper capital, which can come through these IFSCs.

I would also like the Government to create a stronger atmosphere of confidence and ease of doing business in India. India stands at the 63rd position among 190 countries in the 'World Bank's Ease of Doing Business Report, 2020.' I hope, we target to move up by several notches. The promotion of International Financial Services Business must go hand in hand with regulations. For this, I would suggest appointing a member who is an expert at it and who can closely watch and monitor the health and progress of the industry in our country. That member could be chosen as one of the two, to be appointed on the recommendation of a Selection Committee as provided for in the Bill.

I must also point out that since IFSCs are said to foster job creation and kick-off economic development, I would have ideally suggested the setting up of a higher number of IFSCs at strategic locations. The Bill states that IFSCs

are set up under the SEZs alone. It might be a practical move to do so at a time as it can serve as a testing ground for financial sector reforms before they are rolled out in the entire nation. I do hope, Andhra Pradesh stands next in line for the next centre considering the opportunity available between the new State and the new administration led by our next generation Chief Minister, hon. Shri Jagan Mohan Reddy-garu, who believes in transparency and clean governance.

Madam, all in all, my concluding comments would be that the initiative to regulate the IFSCs should, by no means, slow down business interests. I hope, we aggressively pursue growth potential of International Financial Services to help kick-off our efforts in meeting India's dire need for development.

With these words, I conclude. Thank you.

SHRI RAHUL RAMESH SHEWALE (MUMBAI SOUTH-CENTRAL):

Madam Chairperson, I am thankful to you for giving me this opportunity to speak on the International Financial Services Centres Authority Bill, 2019

I would like to begin my speech by extending my support to this Bill, which has been brought before this House by the hon. Finance Minister.

India has the potential, both in terms of human capital and a globally renowned IT industry, to set up International Financial Services Centres that can compete successfully in this market space. Additionally, IFSCs would certainly aid in improving the current economic climate, which is persisting in the country, by attracting inflow of financial resources into India. It would also increase the demand for INR in the international market along with new business opportunities of providing financial services to the global market.

Madam, the intention of the Bill was to set up a single authority that would regulate the transactions of the IFSCs.

Though I support the need to set up a single regulatory body in contrast to multiple regulators, but I disagree with the Government's view of the Authority's role. Here, Clause 21(2) of the Bill states:

“The decision of the Central Government, whether a question is one of the policy of not, shall be final. ”

This is an extremely autocratic provision, Madam Chairperson. So, I would request the Government to rescind this provision.

The Bill already provides for the Authority to have four members appointed by the Central Government. It is providing an avenue to the Central Government that their views are put forward. Here, I fail to understand the reason as to why the Government still feels the need to have such a dictatorial provision.

Similarly, Clause 17 of the Bill relates to Performance Review Committee which would consist of, at least, two Members from the Authority. In my view, it is a conflict of interest. Any review of performance must be carried out by an independent third party agency.

Madam, SEBI, RBI and IRDA are independent regulatory agencies. Thus, any authority that would supersede or takeover their regulatory powers, must also be an independent agency in order to ensure that the changing political landscape does not hurt the economic interests of the country. Additionally, the presence of an independent regulatory agency would ensure stability, which is an essential component for attracting foreign capital.

Thereby, any attempt made towards curbing the independence of financial regulatory bodies bears the risk of adversely affecting the financial interest of the country.

Madam, I would also like to take this opportunity to propose to the Minister to set up an IFSC in Mumbai. The city enjoys all the necessary requirements to set up an international financial centre and home to the

Bombay and the National Stock Exchanges. Additionally, Mumbai also boasts of structuring 90 per cent of the country's merchant banking transactions and 80 per cent of the country's mutual fund registrations. And thus, it has all financial infrastructure necessary for an IFSC.

Madam, the Government set up GIFT city in Gujarat as the country's first IFSC, however, the said IFSC has not been able to take off in the manner that the Government assumed it would. Out of 67 million square feet of land allocated for the planned development of the centre, only 3 million square feet has been developed so far. Additionally, the State lacks the necessary skill-set for an IFSC whereas Mumbai is the Financial Capital of the country and has been navigating through the financial waters for decades. Thus, it has both the skill-set and the capacity to have a successful IFSC. I would like to request the hon Minister to take note of this and do everything necessary to set up an IFSC in Mumbai which could give the economy its much-needed boost.

To conclude, I would like to state that I agree with the hon. Minister about for the need for setting up of such an authority. However, I would also like to request the hon. Minister to take my suggestions into consideration in order to ensure a stable future for our country's financial market. Thank you.

SHRI B. B. PATIL (ZAHIRABAD): Madam, an IFSC enables bringing back the financial services and transactions that are currently carried out in offshore financial centres by Indian corporate entities and overseas branches or subsidiaries of financial institutions to India by offering business and regulatory environment that is comparable of other leading international financial centres in the world like London and Singapore.

It would provide Indian corporates easier access to global financial markets. IFSC would also complement and promote further development of

financial markets in India.

Currently, the banking, capital markets and insurance sectors in IFSC are regulated by multiple regulators like RBI, SEBI and IRDAI. The dynamic nature of business in the IFSCs necessitates a high degree of inter-regulatory coordination.

It also requires regular clarifications and frequent amendments in the existing regulations governing financial activities in IFSCs. The development of financial services and products in IFSCs would require focussed and dedicated regulatory interventions.

Hence, there is a need for having a unified financial regulator for IFSCs in India to provide world-class regulatory environment to financial market participants. Further, this would also be essential from an 'ease of doing business' perspective.

The unified authority would also provide the much-needed impetus to further development of IFSC in India in-sync with the global best practices.

The establishment of a unified financial regulator for IFSCs will result in providing world-class regulatory environment to market participants from an 'ease of doing business' perspective.

This will provide a stimulus for further development of IFSCs in India and enable bringing back of financial services and transactions that are currently carried out in offshore financial centres of India.

This would also generate significant employment in the IFSCs in particular as well as financial sector in India as a whole.

I am requesting the hon. Finance Minister to establish an IFSC centre in South India and Hyderabad is a suitable and centrally located place for this. It has also a good infrastructure too.

Thank you, Madam.

श्री कौशलेन्द्र कुमार (नालंदा): महोदया, आपने मुझे अंतर्राष्ट्रीय वित्तीय सेवा केन्द्र प्राधिकरण विधेयक, 2019 पर चर्चा में भाग लेने का मौका दिया, इसके लिए मैं आपको धन्यवाद देता हूँ ।

महोदया, सरकार इस बिल के माध्यम से, देश के विशेष आर्थिक जोनों में स्थापित किए गए अंतर्राष्ट्रीय वित्तीय सेवा केन्द्रों (आईएफएससी) के अंतर्गत उपलब्ध वित्तीय सेवा बाजार को विकसित और विनियमन करने के लिए एक प्राधिकरण के गठन का प्रावधान कर रही है । यह उनके कानूनों की जटिलता को कम करेगा और भारत में वित्तीय बाजार में भागीदारों को वैश्विक स्तर का विनियामक परिवेश उपलब्ध कराने के लिए एक एकीकृत वित्तीय विनियामक प्राधिकरण के रूप में उपलब्ध होगा ।

17.01 hrs

(Shri Rajendra Agrawal in the Chair)

इससे भारतीय निगमित उपक्रमों की वैश्विक वित्तीय बाजारों तक पहुंच काफी आसान हो जाएगी । आईएफएससी से भारत में वित्तीय बाजार के विकास को और बल मिलेगा, विदेशी मुद्रा में लेन-देन और सरल हो जाएगा । रोजगार सृजन में अहम वृद्धि के साथ-साथ संपूर्ण वित्तीय क्षेत्र में रोजगार के अवसरों में भी वृद्धि होगी ।

महोदय, वर्तमान में अंतर्राष्ट्रीय वित्तीय सेवा केन्द्र में बैंकिंग, पूंजी बाजार का नियमन, रिजर्व बैंक, सेबी, इरडा जैसी विभिन्न एजेंसियां कार्य कर रही हैं । इससे भी छूटकारा मिलेगा । एकल प्राधिकरण कार्य करेगा, जिससे ईज आफ डूइंग बिजनेस की सार्थकता सिद्ध होगी । प्राधिकरण विश्वस्तरीय नियमन का माहौल उपलब्ध कराएगा ।

महोदय, प्रवासी भारतीय, विदेशी निवेशकों, संस्थागत निवेशकों और विदेशी मुद्रा प्रबंधन अधिनियम, फेमा के तहत मात्र भारतीय निवासी आईएफएससी में भाग लेने के हकदार होंगे । कुल मिलाकर वित्तीय बाजार को इसका सीधा लाभ प्राप्त होगा । इससे वित्तीय क्षेत्र में कार्यरत लोगों को काफी लाभ मिलेगा एवं अधिक रोजगार के अवसर भी प्राप्त होने की संभावना है ।

महोदय, काफी छूट देने से धोखाधड़ी की भी आशंका बढ़ जाती है । पहले भी देश अनेक वित्तीय घोटालों को देख चुका है । अतः मेरा सुझाव है कि निगरानी तंत्र काफी सुदृढ़ हो और किसी भी धोखाधड़ी में कड़े दण्ड का प्रावधान होना चाहिए । एक बार जो धोखाधड़ी में पकड़े जाएं, उनके लिए लाइफटाइम बैन का प्रावधान हो । फास्ट ट्रैक निर्णय लेने की व्यवस्था भी होनी चाहिए ।

इन्हीं शब्दों के साथ मैं इस बिल का समर्थन करता हूँ और माननीय मंत्री जी को भी धन्यवाद देता हूँ ।

SHRI PINAKI MISRA (PURI): Thank you, Chairman, Sir for calling upon me to participate in the debate on the IFSC Authority that is sought to be set up by the Government. There are two aspects to this Bill being brought in by the Finance Minister. One is with regard to the concept of the IFSC, of course, the very concept, the very essence of it. The second is relating to the provisions of the Bill itself.

I think, the concept of the IFSC has got off on a false start, if I may say so with respect. The idea is to locate it in the Gandhinagar GIFT city ignoring the long-pending application of the Bandra Kurla Complex. BKC has had a very long waiting period. When they have applied for an IFSC there, that has been ignored by the Government for reasons best known to the Government.

They have, instead, sought to locate it in the GIFT city which has had a completely disastrous beginning because there is an aborted partner there. We have no idea who is going to take over from the IL&FS; we have no idea how the Government plans. It is because IL&FS was an equal partner with the Gujarat Urban Development Company Ltd. With the IL&FS now facing multitudes of litigations and multitudes of prosecutions in a complete state of shambles, who is going to take over this 50 per cent partnership role is anybody's guess. I think the stunted manner in which the GIFT city has tried to limp along has been mentioned by other friends of mine, colleagues of mine. There is 62 million square feet plan. So far, only three million square feet is built up which clearly shows that this is not looking like it is going to take off in a hurry.

I am constrained to say this on the floor of the House, but, you know, to set up an international agency of this nature in a place which is dedicated to prohibition, for instance, I think, is not in consonance with the kind of

ambiance and the kind of international business practices that flourish all over the world. Even in places like Dubai, for instance, which are traditionally Islamic countries, there are very liberal laws with regard to alcohol distribution and consumption. Therefore, I believe that will be one of the reasons why this will be stunted. A lot of people prefer to choose cosmopolitan Mumbai rather than Gujarat or Gandhinagar which, they sense, is, perhaps, a little more provincial than the cosmopolitanism of Mumbai. Therefore, I am not sure that the very substratum of the IFSC, which has been sought to be located in Gandhinagar, has got a rational and a logical basis to it. Therefore, now from thereon, how the Government wishes to first ensure that this flourishes in Gandhinagar by attracting talent and by attracting international investment is something for the Government to do. It has to fast-track it. It has to also ensure that there is an absolutely targeted and very focussed, I think, attempt at harnessing and garnering both talent as well as resources to this place. I think you have to give them a massive slew of incentives in order for people to come there.

I think one of the things that the Government ought to think about is to liberalise this entire process and fast-track applications. Now that there is an authority, which is being sought to be brought in, use the authority as a good regulator to fast-track applications. Let us have many more of these centres. These are centres of excellence. These are centres of magnets which attract both talent and investments. Therefore, this should be fast-tracked.

Plus, I think we should go international. For instance, Dubai has gone international. Dubai has set up their authority in London as well. Therefore, there is no reason why we cannot go to Singapore or go to Dubai or go to London and try and internationalise our operations which I think will certainly go a long way in integration of these international markets with Indian markets.

As far as the Act itself is concerned, I have just a couple of very quick points. First, Section 6 is saying that no member shall hold office without prior

approval of the Central Government for a period of two years. I am very sorry to say that this Government has been very, very liberal in giving a 'go-bye' to this very restrictive clause. In fact, persons of very high stature in very high positions, including Constitutional authorities—I do not want to mention their names on the floor of the House and I think we all know who they are—have chosen to take immediate permission from the Government, which has been granted very, very liberally to join very large corporations in India. It does not give out a good signal. Indeed, I think the Government should have been much more sparing in giving these liberal permissions that it has been giving. Therefore, when you say that except with the previous approval of the Central Government, it is an approval which is virtually given in the breach rather than in consonance. Therefore, I do not know if this is something that is working in India.

The Performance Review Committee, I think, is again a laudatory Committee but again it is so completely inhouse that I do not know whether an independent audit can take place when two of your own officers are going to do an audit. The audit must be conducted by an outside agency rather than your internal agency. I do not know whether the Right to Information Act is going to apply to this. Maybe, the Minister can, in her reply, tell us whether the Right to Information Act will apply to this or not.

Very importantly, dispute resolution in India is, of course, critical and people do not want to come to these places because they find that they get entangled and embroiled in all kinds of legal disputes here, which have no easy resolution. Therefore, perhaps, the Government must think of following the Dubai International Financial Centre which has a dedicated dispute resolution authority comprising of four divisions within their system itself. It has DIFC courts. These are separate dedicated courts. There is the DIFC-LCIA Arbitration Centre. There is an Academy of Law and there is DIFC Wills and Probate Registry. Then, it becomes like an independent city in itself within its

own law. I think it is very important if this dispute resolution at some point must be brought within the ambit of it.

With these words, I would want to wish the Government well, I would want to wish the Finance Minister well in bringing this authority in place. Bringing in one authority rather than a multitude and plethora of authorities is good because I believe that agencies like the RBI etc. have not been terribly successful in their monitoring capacities. Therefore, let us see what this authority does now.

I can only wish the Government well in its endeavour. But the Government must bear in mind that there are many pitfalls it has already suffered and many more pitfalls awaited unless there is a massive wake up call, the Government chooses to take.

Thank you very much, Hon. Chairperson.

श्री रितेश पाण्डेय (अम्बेडकर नगर): माननीय सभापति जी, हालांकि यह बिल इंटरनेशनल फाइनेंशियल सर्विसेज सैंटर्स को परिभाषित करता है और उनके कार्यों को नियमित करता है जो कि एक सार्थक पहल है, इस बिल में केंद्र सरकार ने आईएफएससी के संचालन और कार्यान्वयन के अत्यधिक अधिकारों को अपनी मुट्ठी में बांध कर रखा है। यह प्रथा आज कल के वित्त माहौल को देखकर, खास तौर से सरकार के 'मिनिमम गवर्नमेंट, मैक्सिमम गवर्नेंस' के नारे के बिल्कुल विपरीत है।

महोदय, इस बिल में केंद्र सरकार ने एक रैगुलेटरी बॉडी बनाई है, रैगुलेटरी अथॉरिटी की स्थापना की है, जिसका काम आईएफएससी के संचालन और क्रियान्वयन की देखरेख करना है। मैं आपके माध्यम से सदन में कुछ तथ्यों को उजागर करना चाहता हूं, इस बिल के तहत केंद्र सरकार के पास यह अधिकार है कि वह फाइनेंशियल प्रोडक्ट्स और सर्विसेज को किसी भी तरीके से, मनमाने तरीके से परिभाषित कर सकती है और कभी भी परिभाषा को बदल सकती हैं।

इस बिल के तहत केंद्र सरकार आरबीआई, सेबी, आईआरडीएआई जैसी महत्वपूर्ण संस्थाओं को भी आईएफएससी के रैगुलेटरी फ्रेमवर्क से कभी भी निकालकर

बाहर कर सकती है। इस बिल के तहत केंद्र सरकार मनचाहे तरीके से इस रेगुलेटरी अथॉरिटी को कभी भी भंग कर सकती है। इससे यह साफ जाहिर होता है कि आईएफएससी को चलाने के लिए समूची शक्तियां पूरी तरह से सरकार के हाथों में केंद्रित हैं।

मान्यवर, मैं उसी कड़ी में बताना चाहता हूं कि किसी भी विकसित अर्थव्यवस्था के लिए अत्यंत जरूरी है कि उसकी वित्त संस्थाएं पूरी तरह से स्वतंत्र हों, मजबूत हों। ये विकसित अर्थव्यवस्थाएं सरकार के कार्यकाल के बाद भी चलती रहती हैं, अगर इनके कानूनों में सरकार का इस तरह से हस्तक्षेप रहेगा तो जायज बात है कि निवेशकों के मन में संदेह पैदा होगा और विश्वास नहीं जगेगा।

यदि केंद्र सरकार इन संस्थाओं के नियमों और कानूनों को मनमाने तरीके से कभी भी बदलने की शक्तियां अपने में समाहित रखेगी तो यह सत्य है कि पूरी तरह से निवेशक विश्वास नहीं करेंगे, उनका विश्वास टूट जाएगा।

हमारी सबसे बड़ी कमी है, जिसके कारण भारतीय अर्थव्यवस्था में निवेश करने के लिए विदेशी निवेशकों में भय रहता है और वह है आर्थिक नीतियों में अस्थिरता। मैं कुछ उदाहरण देना चाहता हूं। कल तक सैमसंग टीवी की चैन्नई में एक फैक्ट्री थी। अचानक टीवी के कुछ जरूरी पार्ट्स पर दस परसेंट टीडीएस लागू हुआ और सैमसंग ने 'मेक इन इंडिया' का नारा छोड़कर 'मेक इन वियतनाम' का जाप शुरू कर दिया। वह कंपनी चली गई, सैमसंग ने देश ही छोड़ दिया, टीवी बनाना ही छोड़ दिया और उसके साथ लोगों की नौकरियां भी चली गईं। यह सब हमारी आर्थिक नीतियों की अस्थिरताओं की वजह से हो रहा है।

जब जीएसटी का खराब क्रियान्वयन हुआ तो हजारों-लाखों लोगों की नौकरियां सफा चट्ट हो गईं। कल तक जो सब चंगा था, अचानक तुगलकी फरमान आया कि 500 और 1000 रुपये के नोट पूरी तरह से खारिज हो गए हैं। सैंकड़ों लोगों ने लाइनों में दम तोड़ दिया। इसके साथ ही जीडीपी की टांग टांग फिस्स हो गई, यह मैं आपको बताना चाहता हूं।

यहां आदरणीय वित्त मंत्री जी बैठी हुई हैं। वह बहुत ही शिक्षित हैं और इस देश की अर्थव्यवस्था को बढ़ाने का जिम्मा उन पर है। मैं पुनः उनको एहसास दिलाना चाहता हूं और अपनी छोटी सी पोजीशन से जरूर याद दिलाना चाहता हूं कि किसी भी अर्थव्यवस्था में सबसे बुनियादी चीज जिस पर निवेशकों का विश्वास होता है, वह है

आर्थिक नीतियों में पूरी तरह से स्थिरता । जब तक विश्वास कायम नहीं रहेगा, ये सबसे बुनियादी चीज है, तब तक यहां पर विदेशी निवेशक नहीं आएंगे । इसलिए, हमें अपनी आर्थिक नीतियों पर अडिग रहने की जरूरत है । वर्ष 2014 से इस सरकार ने, खास तौर से वित्त मंत्रालय ने जिस तरह से निवेशकों के मन के अंदर भय और उसके साथ-साथ अविश्वास पैदा किया है, पूरी तरह से, जो हमारी अर्थव्यवस्था पीछे जा रही है, यह उसके लिए जिम्मेदार है ।

सभापति महोदय, मैं अंत में कन्क्लूड करना चाहूंगा । मुझे आशा है कि आदरणीय वित्त मंत्री जी इस बिल पर वापस विचार करेंगी और यह जरूर सोचेंगी कि हम सरकार की इतनी ज्यादा शक्तियों को एक ही संस्था में समाहित न करें और एक अलग रेगुलेटरी बॉडी, जो इंडिपेंडेंट हो, जिसकी नीतियां स्थायी हों, उसकी स्थापना करने का काम करें । बहुत-बहुत धन्यवाद ।

SHRIMATI SUPRIYA SADANAND SULE (BARAMATI): Sir, I stand here obviously in support of the Bill, but there are a few points which I would like to highlight to the hon. Finance Minister.

Actually, out of the last four weeks of Session, unfortunately I was not here for one week, but I have been here for three weeks. One Minister who has almost led this entire Session has been the hon. Finance Minister and her MoS. I would like to compliment this team because they have been, I think, the champions and the maximum Bills that have been passed, I think, whether we liked or disliked, we agreed or disagreed, were championed by the Finance Minister. So, I appreciate the efforts that they have made.

I do understand, which I said earlier also in my speeches, that this is not, I am sure, the position she wanted to be in, but she is actually sitting on a very powerful seat, but it is full of thorns unfortunately. She has been put into that role and she has shown so much responsibility in a very difficult situation of

the economy. So, I do understand that she faces a lot of challenges while navigating through this very difficult, turbulent times that India is going through economically.

It was strange that Shri P.P. Chaudhary, unfortunately he is not here, from the Treasury side said that the happiness index has gone up. I do not know where he is getting data from, but I would definitely like to put it in record that the happiness index of this country has gone down and the hunger index has gone up. I think that is what we really need to consider. ...
(Interruptions)

DR. NISHIKANT DUBEY (GODDA): It is one point up.

SHRIMATI SUPRIYA SADANAND SULE : That is not very laudable.

Anyway, the hon. Finance Minister, in her opening remarks, made very serious points on which I would like to ask clarifications from her. She talked about PSE, banking, brokers, insurance and IT sectors taking advantage of the tax benefits. Now, the legal jurisdiction of all these investments is in India, but the entire physical infrastructure is out of the country because they invest globally. Moneys are not necessarily always parked here and the benefits are nurtured. She also said that due to ITeS, about 10,000 jobs were created because of the back-office work which is wonderful. I will give you an example of Rajiv Gandhi Infotech Park which is in Maharashtra and it happens to be in my constituency. It is a much smaller infrastructure. It is put up by people who invest. Over 3.5 lakh of jobs directly or indirectly – she is aware of all this and I do not have to explain that to her – are created. So, for the kind of monetary investment that we made, what is the cost-benefit analysis of the amount of investment that we have put in and the return that we are getting. Ten thousand jobs at a go sound exceptionally impressive given the situation of unemployment in India today, but really for the amount of land and investment, it is actually peanuts. Rajiv Gandhi Infotech Park as a concept of an IT hub *versus* international FSC is way different. I know that the concept is

completely different. The IFSC is a concept different from that of IT, but if you are only going to look only for job opportunities, is IFSC an option or IT Infotech Parks is a much better option? We do give tax benefits there also. Here, the kind of tax benefits that are given are exceptionally high.

I would like to flag a point which is about Mumbai since I come from that city. A lot of people have referred to the HPSC, the high-powered committee. There are quick points that I would like to make. Why did they not consider Mumbai? Had it happened in Gandhinagar, I would have no objection. If another State is doing well, we are happy as eventually, we are a one country. If one benefits, we all benefit because of each other. When Mumbai was the first choice recommended, why were we denied this opportunity? They could have had Gandhinagar and Mumbai both. Why not both?

My second point is this. The Report specifically says that unless the GDP is over ten per cent, this will not flourish. This is what the note says. So, what is your view and the Ministry's view on this? I am seeking this clarification for my knowledge. It says unless there is lower debt, that means if there is a high debt of the Government this will not be able to sustain. So, is this factual? I am asking this because this is what the sources say and the people say.

There are other few queries which I have in my mind while I read this Bill. This whole concept was to bring in good investments. Even in your opening remarks you said that there were good investments. But the job creation comparatively is not very good.

I am not able to understand one thing in this entire concept. There is on-shore and off-shore investments. What is the definition of on-shore and off-shore? What I understand from this whole concept is that physically the money is going to be out of our country and only legally the money will be here. So, what really is our country achieving? A lot has been said about Singapore and London. Those are different economies. Their sizes are different; their

development indexes are different; their social denominators are different. We are a very different country. Look at the size of Singapore. What is applicable to Singapore is not applicable to India with its sheer number of people. One can compare oranges with oranges. You cannot compare oranges with peaches. So, can you clarify that to me? It almost makes us a tax haven. That is what my little limited knowledge of finance explains to me.

About KYC norms, I would like to say that we are very happy that this Government wants to bring in black money and it wants to bring in transparency. Now, KYC norms are applicable to everything. One gets to read in newspapers about Participatory Notes, Masala Bonds, etc. I understand there is no need for disclosure. If you could kindly throw some light on it, I would be grateful to you. If it is so, then this is money laundering and it will be only dirty money. We do not know where it is coming from, where it is going. It is applicable internationally and there is a huge tax benefit. Who are we giving this tax benefit to? Or is the money just round tripping? It is going from here and coming back from somewhere else. The loss is India's loss. It may not be dirty money coming through another way. But are we allowing it? These are just few doubts. If you could clear them and put them on the table, I think all this can be put to rest.

I just heard this was under the SEZ. If I am not correct, I stand corrected. This was under the Ministry of Commerce but now has come under the Ministry of Finance. Is that correct?

Somebody talked about the RBI. I have reservations about the comments made by Shri Pinaki Misra. He is right that a lot of wrongs have happened. But I still have faith in the RBI. I think that the RBI is a great authority of India and we have full faith in it. Things may have gone wrong. But this is our chance to correct them. This just does not mean we have to make one more law. Does that mean it is going to improve it? Only time will judge us. But is starting multiple authorities a solution?

We have been through the cases of hawala, forex index, etc. I think India is looking for a clean-up from the Government. But if you hurt every institution at one time, what is going to be the outcome? We all see what is happening to the economy of this country. We are going through absolutely a struggle. I compliment the honesty of the Finance Minister when she talked about the slow down. I really appreciate it. She has actually got the job in the most troubled times. I wish her only luck because her performance is not about only Opposition and people being in power. But my country gets affected by all these performances and decisions.

So, I urge her to give clarifications to all these issues. What do we need a good economy for? It is for the benefit of the people. We should get better jobs, better lifestyles and create wealth in this country and make sure poverty is alleviated. If that is our final goal, is this the way out? Given all the crises that we are going through, do we really need this Bill? Do we really need this if there is any suspicion that this is going to create a tax haven? We need taxes. You have not paid us the GST share. This entire morning was about the GST payments not given to the States. Even my own State is suffering because of that. So, I urge the hon. Minister to look into this and address them. Please clarify them. We do not need tax haven in this country. What we need is a transparent and a fair taxation system. You take pride in making people pay taxes. Everybody is happy to pay tax as long as its fair and just. Thank you.

SHRI KESINENI SRINIVAS (VIJAYAWADA): Sir, I thank you for the opportunity to speak on the International Financial Services Centre Bill, 2019. I appreciate the Government's move to set up a uniform regulator for international financial service centres in India.

Financial services and products in an IFSC require dedicated focus and effective regulatory management to prosper and hence this Bill brings about the much-needed regulatory intervention in this sector. I hope with this

legislation, we will see better inter-regulatory coordination which will help further develop IFSCs in India.

But I have a few doubts, concerns and recommendations in my mind with some aspects of this Bill. Clause 5 of the Bill deals with composition of the authority. The authority has representatives from RBI, SEBI, IRDA, PFRDA and the Ministry. Clause 5(1) (d) says that two members would be appointed on the recommendation of the Selection Committee. But the Bill does not specify who these people will be. Will they be from political background, policy experts, industry stakeholders? It is vague and it leaves scope for bring in anybody. So, I would like to request the hon. Finance Minister to clarify what the criteria will be for selection of these members.

Sir, my next point is relating to capital account convertibility. It has been more than 28 years since we opened our economy. But, so far, total capital account convertibility has not been achieved and it is because of this, our contribution to global financial market is very little.

Sir, there is no doubt that we are one of the largest countries in the world which uses international financial services, but our contribution is very less. In these circumstances, what are the plans of the hon. Finance Minister, at least from now onwards to keep India next to the world's leading financial hubs? I would like to ask the hon. Finance Minister whether plans of giving tax cuts and other incentives are in place to attract units to come to India.

I also recommend the Minister to take steps for popularising the cross-border transactions in the rupee terms, especially in respect of External Commercial Borrowings (ECB), trade credit and exports and imports, thereby reducing the exchange risk for persons who are residing in India.

Sir, it is good to see that the Government is focussing globally-competitive financial centres in India and hence I would like to recommend setting up an IFSC in Amravati, the capital of Andhra Pradesh. After Andhra

Pradesh was bifurcated in 2014, then the TDP Government led by Shi Nara Chandrababu Naidu envisaged Amravati as a world class capital for the State.

Sir, Amravati has potential to a city of the future, a financial and cultural centre not just for the country but also globally.

Amravati has reflected the dreams of the people of Andhra Pradesh. Sir, we have never seen such great participation of the public as in the case of Amravati. Farmers of Andhra Pradesh have voluntarily donated 33,000 acres of land for the construction of their new capital city. The TDP Government had inked several pacts with foreign and domestic stakeholders for the development of the world-class infrastructure in Amravati.

But, Sir, it deeply saddens me to see that the current State Government of the YSR Congress Party led by ...* is systematically destroying this great potential financial centre of the future just for petty political vendetta ...
(Interruptions)

HON. CHAIRPERSON : Please conclude now.

SHRI KESINENI SRINIVAS : The current Government of Andhra Pradesh has not only put a stop to all developmental projects in Amravati but also, they are committed to undoing all progress that has been made ...
(Interruptions)

माननीय सभापति : प्लीज आप कन्क्लूड कीजिए ।

SHRI KESINENI SRINIVAS : Sir, I am finishing, just one line. ...
(Interruptions) Sir, the Chief Minister has ordered for demolition and destruction of infrastructure in Amravati. ...
(Interruptions) What the current State Government wishes to achieve out of this is beyond logic and common sense ...
(Interruptions)

Sir, ...* is playing with dreams and aspirations of the people of Andhra Pradesh by destroying Amravati which is the brain child of Shri Chandrababu Naidu and has the potential to be an International Financial Service Centre, but only if we can save it ...
(Interruptions)

With this, I support the Bill and I sincerely hope that one day Amaravati can become an International Financial Service Centre as it is the pride of the people of Andhra Pradesh. Thank you, Sir.

माननीय सभापति : उसे देख लेंगे, आप बैठ जाइए ।

...(व्यवधान)

HON.CHAIRPERSON : If there is any derogatory thing, उसे देख लेंगे, आप बैठ जाइए ।

...(व्यवधान)

माननीय सभापति: प्लीज आप बैठ जाइए । कोई चीज रिकॉर्ड में नहीं जा रही है ।
बैठिए ।

...(व्यवधान)...*

***SHRI S. VENKATESAN (MADURAI):** Hon. Chairman Sir, Vanakkam. The International Financial Services Centres Authority Bill intends to expand the international market for the Indian business tycoons and to expand the way for making Indian capitalists to become international capitalists. We are aware of the fact that international financial investments have had its influence in the setting up of such a centre in India. This Bill has been brought here for discussion. This Bill proposes amendments to 14 Acts including the RBI Act, Insurance Law, and the Banking Regulation Act. Above all these institutions, this Authority is being set-up with extra-ordinary powers. We consider clause 25 as a dangerous one. Why? It is because the Authority will be vested with enormous powers so that CBI, ED or the Prevention of Corruption Acts will not be able to question or investigate. Indian financial market and the financial set-ups were not affected much because of the impact of South Asian financial crisis in 1999 and the world financial investment crisis of 2008 for two

important reasons first one being the powerful Public Sector Undertakings, and the second is the laws that regulate these financial institutions. Both these reasons are very important. But the Government is either diluting the laws or making an Authority which is above all these regulatory set-ups. This trend is so dangerous throughout the world. We have come to know that reputed financial institutions with vast experience like RBI are not even being consulted by the Union Government. The recent electoral bonds issue is an example. At the time when the Indian economy is facing distress, we should be more cautious while setting up such an authority through this Bill. I urge that this Bill should be sent to Select Committee for examination. Thank you.

श्री अजय मिश्र टेनी (खीरी): सभापति जी, अंतर्राष्ट्रीय वित्तीय सेवा केंद्र प्राधिकरण विधेयक, जिसके द्वारा इंटरनेशनल फाइनेंस सर्विस सैंटर्स स्थापित करने, उन्हें नियमित करने और निगमित करने के लिए यह बिल लाया गया है, मैं इस बिल का समर्थन करता हूं। जैसा माननीय मंत्री जी ने बताया कि विशेष आर्थिक जोन अधिनियम, 2005, जिसका संशोधन 2015 में किया गया था और उसके द्वारा केंद्र सरकार को ऐसे विशेष आर्थिक जोन में ऐसे सर्विस सैंटर्स की स्थापना करने और उसके कानून बनाने की शक्ति प्रदान की गई थी, उसी क्रम में राज्य सभा में पिछले वर्ष फरवरी, 2019 में तत्कालीन वित्त राज्य मंत्री जी ने इस बिल को पेश किया था, लेकिन संविधान के अनुच्छेद 117(1) के अनुसार चूंकि यह बिल वित्तीय बिल था, इसलिए इसे लोक सभा में पेश किया गया है। मैं इसका समर्थन करने के लिए खड़ा हुआ हूं।

वास्तव में इस विधेयक का उद्देश्य अपने देश में विश्वस्तरीय सुविधाएं व्यापारियों को उपलब्ध कराना है और इसके द्वारा हम ऐसे सैंटर्स को डेवलप करना चाहते हैं, जिनमें वैश्विक व्यापार करने वाली जो कम्पनियां देश से बाहर चली गई हैं, वे वापस आएं। इसके साथ-साथ ऐसी अंतर्राष्ट्रीय विदेशी संस्थाएं, जो यहां व्यापार करना चाहती हैं और ऐसे विदेशी और संस्थागत निवेशक फेमा के तहत, जिन्हें भारतीय पात्रता है, वे लोग भी इन सैंटर्स में भाग ले सकते हैं। इस समय पूरी दुनिया में जिस तरह की परिस्थितियां हैं, उनके अनुसार अमरीका और चीन की जैसी व्यापारिक प्रतिस्पर्धा है, पूरी दुनिया में एक मंदी का दौर है। उस दौर में भारत एक ऐसा देश है जो अपने व्यापक आधार के कारण उस मंदी से बचा हुआ है। जो अभी सर्वेक्षण और अध्ययन के माध्यम से निकलकर आया है, उसमें यह कहा गया है कि जो पूरी वैश्विक मंदी है, उसमें जीडीपी में

न्यूनतम स्तर पर इस समय 3.2 वृद्धि दर हो गई है। चाइना की भी जीडीपी न्यूनतम स्तर पर है और ब्रिटेन में यह भी कहा जा रहा है कि वर्ष 2020 तक वे भी मंदी की चपेट में आने वाले हैं। यूरोप की एक बड़ी अर्थ-व्यवस्था जर्मनी, जिसकी आर्थिक वृद्धि दर 0.9 प्रतिशत से 0.4 प्रतिशत हो गई है। साथ ही साथ अमेरिका में भी यह संभावना बताई जा रही है कि वर्ष 2021-2022 तक अमेरिका भी मंदी की चपेट में आने वाला है। लेकिन ऐसे समय में भी हमारी सरकार की नीतियों के कारण ही आज हम यह कह सकते हैं कि न केवल हमने इंफ्रास्ट्रक्चर पर ऐसे बुनियादी ढाँचों को विकसित करने के लिए 100 लाख करोड़ रुपये खर्च करने का प्रावधान किया है, बल्कि वहीं विदेशी मुद्रा की जो विनिमय दर थी, उसको जब से हमारी 2014 में सरकार बनी है, लगभग हम इसे स्थिर रखने में सफल हुए हैं। विदेशी मुद्रा का भंडार भी इस समय उच्चतम स्तर पर है और व्यापार सुगमता की जो सूची है, ease of doing business, उसमें भी 53 पायदानों की एक बड़ी छलांग भारत ने लगाई है।

ऐसी स्थिति में हम यह कह सकते हैं कि निश्चित रूप से जो ये परिस्थितियां हैं, जब पूरी दुनिया इस समय मंदी की चपेट में है, भारत एक ऐसे देश के रूप में उभरकर आया है, जिसने न केवल अपनी अर्थव्यवस्था को ठीक ढंग से रखा है, बल्कि अपनी नीतियों के आधार पर हम इस बात पर सफल रहे हैं कि हमारी जो अर्थव्यवस्था है, उसकी गति भी प्रभावित न हो और देश में जो इनफ्रास्ट्रक्चर खड़ा करने की एक बड़ी चुनौती वर्ष 2014 में हमारे सामने थी, उसको भी हम सफलता पूर्वक ठीक ढंग से करने में सफल रहे हैं।

माननीय सभापति जी, मैं आपके माध्यम से यही कहना चाहूंगा कि जिस तरह से हमने यह बाजार विकसित करने के लिए सेवा केन्द्रों को विकसित करने की बात कही है और उसमें विश्व-स्तरीय सुविधाएं देने का हम लोगों ने प्रयास किया है, एक सेंटर अभी हमने अहमदाबाद में खोला भी है। अहमदाबाद में जो सेंटर वर्ष 2017 में खोला गया था, वह सफलतापूर्वक चल रहा है। अभी हमारे विपक्ष के कई साथियों ने उसके विषय में कहा है। इस समय जो हमारा ग्लोबल फाइनेंशियल इंडेक्स है, उसने अहमदाबाद के सर्विस सेंटर को तीसरा स्थान दिया है। केवल वर्ष 2017 में खुलने के बाद इतनी बड़ी सफलता पाना, निश्चित रूप से विदेशों में जो भारतीय नागरिक वहां व्यापार में हैं और ऐसे विदेशी संस्थान भी यहां पर आने के लिए आकर्षित होंगे। साथ ही साथ हम यहां पर स्टॉक एक्सचेंज के लिए ऐसे सभी लोगों को आमंत्रित कर रहे हैं। विदेशी स्टॉक एक्सचेंज भी यहां पर आएंगे। उसके साथ-साथ विदेशी मुद्रा में ही फाइनेंस करने की

सुविधा हमारे इन सेंटर्स में होगी । विदेशी मुद्रा में ही हम व्यापार कर सकेंगे । ऐसी सारी सुविधाओं के कारण हमें वैश्विक वातावरण बनाने में सफलता मिल रही है । चूंकि यह एक बहुत बड़ा बाजार है और एक बड़ी जनसंख्या वाला हमारा देश है, इसलिए पूरी दुनिया की नज़र भारत की अर्थव्यवस्था पर भी है और भारत की नीतियों पर भी रहती है । ऐसे समय में हम लोगों को तात्कालिक निर्णय लेने की आवश्यकता थी और उसी के तहत हमारी माननीय वित्त मंत्री जी ने यह निर्णय लिया है ।

मैं माननीय वित्त मंत्री जी का ध्यान, एक अन्तर्राष्ट्रीय व्यापार जो हमारा नेपाल से होता है, उस तरफ भी आकर्षित करना चाहूंगा । हमारी माननीय वित्त मंत्री जी को मैं बताना चाहूंगा कि मैं लखीमपुर जनपद से आता हूँ, जो नेपाल से सटा हुआ जिला है और यह एक बड़ी लम्बी सीमा है । इस तरफ भारत में रहने वाली ऐसी सभी मंडियां नेपाल के व्यापार पर ही आधारित हैं । वहां पर जो व्यापार होता है, उसके लिए आवश्यक कस्टम ऑफिस, और चूंकि ज्यादातर कृषि उत्पादन का ही व्यवसाय दोनों देशों में होता है, इसलिए ऐसे सब्जी और फल आदि के प्रमाणीकरण के लिए भी वहां पर एक कृषि मंत्रालय के अन्तर्गत कार्यालय बनता है जिसकी आवश्यकता उसका प्रमाण-पत्र जारी करने के लिए होती है । मैं माननीय मंत्री जी से यह अनुरोध करूंगा कि मेरे लखीमपुर क्षेत्र में भानपुरी खजूरिया में एक कस्टम केन्द्र खोलने के साथ-साथ, गौरीफंटा में कृषि मंत्रालय के सहयोग से एक ऐसा प्रमाणीकृत केन्द्र देने की कृपा करें । मैं केवल इतना ही कहना चाहता हूँ कि वर्ष 2014 में जिस तरह की परिस्थितियां मिली थीं, भ्रष्टाचार के कारण, बिजली की कमी के कारण, कोयला गैस की कमी के कारण, हमारे देश की आर्थिक व्यवस्था ठीक नहीं थी । जब से हमारी सरकार बनी है, तब से हम लोगों ने उसके लिए क्रमबद्ध प्रयास किए हैं । मैं बहुत संक्षेप में कहूंगा कि चाहे वह ब्लैक मनी की बात हो, फाइनेंस बिल की बात हो, नोटबंदी की बात हो, जीएसटी की बात हो, बैंकक्रप्सी कोड हो, डिजिटल लेन-देन बढ़ाना हो, टैक्स के अंतर्गत लोगों को लाना हो, एक तरह से हम लोगों ने सिस्टम को डेवलप करने का काम किया है । इसके अलावा हम ने बैंकों के बोर्डों को एनपीए कम करने का अधिकार दिया है ।... (व्यवधान) इस तरह से हम लोगों ने प्रशासनिक सुधार भी किए हैं, जिनके परिणाम दिखने लगे हैं ।

अंत में, मैं यही कहना चाहूंगा कि यह पिछले पांच वर्षों की मोदी सरकार की अनुकूल नीतियां ही हैं, जिनसे न केवल हम विश्व के आर्थिक मंदी के दौर में भी सुरक्षित रहे, बल्कि हमने अपनी आर्थिक स्थिति को मजबूत भी किया है और उस रफ्तार को भी कम नहीं होने दिया है ।

पुनः, मैं इस बिल का समर्थन करते हुए कहना चाहता हूँ कि जो क्रम माननीय अरुण जेटली जी ने उस समय शुरू किया था, उसे माननीय वित्त मंत्री आगे बढ़ा रही हैं।... (व्यवधान)

SHRI E. T. MOHAMMED BASHEER (PONNANI): Sir, I congratulate the Government on this good initiative. It is very essential for India which is a fast-developing economy in the world. We must have such an institution of international standard but we are actually late. The idea of IFSC was brought in 2005 but it was not implemented, maybe, because of the global financial crisis. This Institution could be the next growth engine for the Indian economy. We hope for the best.

Sir, this top-most executive body consists of nine members which are nominated by the Government. It is all right but being an international level institution, merit should be the only criteria to become a member. Any kind of pick and choose policy should not be there.

With regards to the functions of the Authority and its the regulatory mechanism which have been categorically stated, it is governed by the RBI, SEBI and IRDAI. This is a new system. The IFSC will have all kinds of power that will avoid the delay and unnecessary paraphernalia.

Sir, India is emerging as a major economy, and creating a financial hub in India is very much needed and, in that respect, this move is commendable. Infrastructure should also be of international standard. IFSC must provide the avenues to the centralised financial infrastructure hub that can truly cater to the needs of a growing economy. At present, London, New York and Singapore are the global centres. They have a very good infrastructure. There is no doubt that India can go much ahead of them.

We are fortunate that India is blessed with a huge human capital. We are proud of it. The extensive use of English in India is another important point. Moreover, generations in India have the experience of entrepreneurship which

is a plus point for India. Indians play a pivotal role in the top global financial firms.

Sir, the Percy Mistry Committee which is the main brain behind the idea of IFSC also gave recommendations about 'Democracy' and 'Rule of law'. If these two things are not there and if a political turmoil is there, then it will affect the functioning of the IFSC. With these words, I support the Bill.

DR. AMAR SINGH (FATEHGARH SAHIB): Thank you, Sir, for giving me this opportunity. This idea is laudable to bring everything under one roof. मैं आपके माध्यम से फाइनेंस मिनिस्टर से कहना चाहता हूँ कि ऑन रिकॉर्ड जो इंटरनेशनल एक्सपिरीएंस एवेलेबल है, उसके अनुसार मैं कहना चाहता हूँ कि सबसे पहले डबलिन, आयरलैंड में आईएफएससी बनाया गया था। आज वह दुनिया का सबसे बड़ा टैक्स हैवन है। वहाँ हर साल सौ बिलियन डॉलर टैक्स की चोरी होती है। मुझे उम्मीद है कि इस बिल को बनाते समय आपने उस इंटरनेशनल एक्सपिरीएंस को जरूर ध्यान में रखा होगा।

ग्लोबल एक्सपिरीएंसेज जितने हैं, जितने एसईज़ेडस हैं, मैनुफैक्चरिंग, एक्सपोर्ट, एम्प्लॉयमेंट जेनरेशन हैं, उन्हें फोकस रखें। अगर ज्यादातर से सर्विसेज पर रखते हैं, तो इसमें टैक्स चोरी बहुत होती है।

जो रेगुलेटर्स हैं- आरबीआई, सेबी इन सभी ने बहुत अच्छे काम किए हैं। इनको इससे बाहर निकाला जा रहा है। आपको यह देखना चाहिए कि क्या इनको बाहर निकालने की जरूरत है, क्या उन्हीं में कुछ पैदा किया जा सकता है?

अंत में, मुझे सिर्फ यह कहना है कि यह प्रायोरिटी जरूर कर लें कि गिफ्ट सिटी का परफॉर्मेंस क्या रहेगा, तो बहुत ही अच्छा होगा।

SHRI UNMESH BHAIYYASAHEB PATIL (JALGAON): Hon. Chairman, Sir, thank you for giving me this opportunity to speak on the International

Financial Services Authority Bill, 2019. I would like to thank the hon. Finance Minister for bringing this Bill to the House.

By facilitating the establishment of International Financial Services Centres in Special Economic Zones in the country, this Bill will definitely be a booster-shot or a catalyst for our economic growth and development. It will not be wrong to say that the Bill will bring a financial revolution in the country towards achieving the hon. Prime Minister Modi's goal of a five trillion Indian economy. This Bill will invite even greater FDI into the country and will put India on the track to become a global financial hub.

It is a matter of pride that the first SEZ in India was established in my State of Maharashtra and that is the Santacruz Electronics Export Processing Zone in Mumbai. But I regret to inform that SEZs have not achieved their purpose. Instead, they are simply a means of land acquisition and real estate business. There are many regulatory obstacles that happen in establishing SEZs. पिछले सेशन में एसईज़ेड बिल में कुछ अमेंडमेंट्स आए ।

To deal with foreign currency in India, banking, capital markets and insurance sector are governed by different regulators like RBI, SEBI and IRDAI. These sectors need inter-regulatory coordination and frequent clarifications and amendments. This leads to lot of uncertainty in the minds of investors and creates an uncertain business environment. The IFSC Authority Bill establishes a single authority with representatives of these bodies and that will govern the dealings of an IFSC in foreign currency.

Sir, I will give two suggestions. It is because of hon. Prime Minister Modi Ji and the former Finance Minister late Arun Jaitley Ji that the first IFSC was commissioned in Gujarat International Finance Tec-City. Actually, this is expected to generate about five lakh direct and indirect jobs. Similarly, an International Financial Centre has been set up in Navi Mumbai by our former Chief Minister Shri Devendra Fadnavis Ji with CIDCO as nodal agency. This Centre is based on the use of Fintech or Financial Technology. This refers to

the use of technology to create and provide financial products and services to customers. It is my request to the Government to look into the possibility of creating an IFSC in the financial capital of India, Mumbai. The benefits from this will come to the State of Maharashtra and to our country too.

The intent of this Bill is correct. We have to ensure that even if transactions take place in foreign currency, the trade and business will be there. The production of goods and services must happen in India so that more jobs can be generated.

It is important to create regional centres through the setting up of IFSC in SEZs. Regional centres can be an economic ecosystem created around the IFSC. This will lead to development of the city where the SEZ is located, and also of rural areas surrounding the IFSC in the SEZ. Otherwise, the situation created will be of high Human Development Index in cities where the investment comes in, and low Human Development Index in other areas. This is not desirable. We should strive for equal human development.

My constituency Jalgaon is the leading producer of plastic, gold and cotton in the country. The investment invited through the IFSCs must be used to enhance the capabilities of such local businesses. Export and import units can be established in Jalgaon that will help businesses so that they can grow even bigger and our economy can become self-reliant.

The setting up of IFSCs also deal with flow of finance, financial products and services across borders. To make these products accessible to our common citizen, it is necessary to take up capacity building measures across the country. We need professionals who customize these products to our needs and demands. For example, farmers and Self-Help Groups are forced to take money from NBFCs at very high interest rates, as high as 36 per cent. The penetration of these financial products and services can happen only if we have skilled workers.

Lastly, once again, I would like to congratulate the hon. Minister for introducing this Bill. It is my earnest desire that hon. Members present in this august House bring their expertise and experience to make suggestions on the Bill. At the same time, we must send a message of unity to Indian citizens to show our intent in solving the economic crisis. Thank you.

SHRI ANTO ANTONY (PATHANAMTHITTA): Thank you, Sir, for allowing me to take part in the discussion on the International Financial Services Centres Authority Bill, 2019.

Sir, I would like to start by saying that this is not a Bill but a bell. 'For whom the bell tolls' is a famous novel by Ernest Hemingway. In this Parliament House, the question, for whom the bell tolls has a different meaning. This Bill seeks to establish a single authority to develop and regulate the various financial services, products and institutions set up in the International Financial Services Centres set up in Special Economic Zones across the country.

Sir, this is the report of the Comptroller and Auditor General of India. In this report, C&AG clearly stated, in India, land allotted to SEZs are misused. The performance of SEZs reveals that out of 392 notified SEZs, only 152 undertake any business. The domestic companies conspire with the foreign citizens and companies, and misuse the land for real estate business. It was noticed that in the selected 117 Developers/Units in 12 States, the actual employment, that is, 2,84,785, vis-à-vis the projections, that is, 39,17,677 made by the Developers/Units had fallen short by 92.73 per cent. Companies even raised loans on SEZ land.

Sir, I believe, this Bill, quietly, and literally so, cuts the throat of RBI. According to clause 3, in chapter 1, sub-section (d), all financial services are converted into mere financial products, the securities, the contract of insurance, the deposits, the credit arrangements, the foreign currency would all turn out to

mere financial products. Practically, going by the definition contained in the Bill, the RBI will have no power. It would no longer remain as the financial watchdog of the country.

Our former Prime Minister Dr. Manmohan Singh resisted the swells of economic crisis from reaching Indian shores only by sustaining and nourishing the system of checks and balances. This has been prevailing since the days of Pandit Jawaharlal Nehru. Even when the mighty American economy nosedived, the Indian economy stood and flourished during the time of Dr. Manmohan Singh because of the system of checks and balances. It is unfortunate that the present Government is trying to destroy the system of checks and balances, which means if there is an unstable situation or a fluctuation in the world market, India will go down with it.

17.56 hrs

(Hon. Speaker *in the Chair*)

माननीय अध्यक्ष : इसमें सभी की सहमति है। मैडम, आप पांच मिनट में जवाब दे देना। इसमें सभी की सहमति है। क्या कोई ऑब्जेक्शन है इस बिल पर? नहीं है, ठीक है।

SHRI ANTO ANTONY : Sir, please give me one minute. Please note that the sub-section 2 of the 2005 Act has been misquoted. ...(*Interruptions*) In the Bill, it is said that “.....the Central Government may, subject to such guidelines as may be framed by the RBI, the SEBI, the Insurance Regulatory Development Authority and such other concerned authorities as deemed fit.....” The Bill negates the RBI Act and the SEBI Act and the Bill is a war-cry against the economic independence of our country.

माननीय अध्यक्ष : अधीर रंजन चौधरी जी सदन में कांग्रेस के नेता है, इसलिए एक क्लैरिफिकेशन तो पूछेंगे।

SHRI ADHIR RANJAN CHOWDHURY (BAHARAMPUR): Sir, I will not make a speech. I have only two or three clarifications. First of all, 6000 Indian entrepreneurs have migrated from our country in the last two years. Under the

liberalized remittance scheme, USD 45 billion have also migrated. On one hand, the hon. Minister is talking about establishing a global financial hub in India. But on the other hand, she is failing to entice or allure those promising entrepreneurs. May I know from the hon. Minister what the fate of the GIFT City is? The IL&FS was a stakeholder with 50 per cent stake in the GIFT City. It is reported that IL&FS has collapsed and its stake has been bought by the Government. Is it true? What is the present status of the GIFT City?

Secondly, the Government has abolished the multi-regulatory regime. But on the other hand, the Government is invoking a unified authority which simply implies the centralization of the authority. These are the two issues that need to be clarified.

माननीय अध्यक्ष : सुश्री महुआ मोइत्रा जी, आपको केवल एक क्लैरिफिकेशन पूछना है ।... (व्यवधान) आपको आपकी पार्टी को दिए गए समय के अतिरिक्त समय बोलने के लिए दिया जा रहा है । ... (व्यवधान) आज सभी महिला सांसदों को राष्ट्रपति जी के यहां जाना है ।

SUSHRI MAHUA MOITRA (KRISHNANAGAR): Hon. Speaker, I will keep my speech short. As everyone said, the intent of this Bill is absolutely noble, but it is quite ironic that in a country as large as ours, 70 years after Independence you are bringing in a Bill that is converging powers into a single regulator and it is only brought in for the purpose of a single International Financial Services Centre that was announced four and a half years ago. So, if you look at the development status of this particular GIFT City that has come up in Gandhinagar, only 3 million square feet of the planned development of 62 million square feet has been built. The original plan was that the IL&FS, which is now a bankrupt defunct entity, was in a 50:50 joint venture with the Gujarat Urban Development Company Limited. The IL&FS has since collapsed. What is the new way that you are going to take this forward?

The other thing is that if you are talking about the essence and spirit of the international financial services regulation which we need to embody in India, I think we should have this available to other cities as well. The application for BKC, Mumbai as an international financial services centre has been pending for years. All of us would be single-minded in our approach that Mumbai perhaps deserves it more than any other city in India.

18.00 hrs

So, why is it being done for Gandhinagar? When you are talking about connectivity and when you are talking about quality of life, it is almost like Delhi being shifted to Thuglaqabad and you are doing everything to do it. So, while on principle, we do not mind the idea of an IFSC, it is ironic that you are bringing it up only for this.

माननीय अध्यक्ष : माननीय सदस्यगण, अगर आप सभी की अनुमति है, तो सदन का समय इस विधेयक की समाप्ति और शून्य काल की समाप्ति तक बढ़ा दिया जाए?

अनेक माननीय सदस्य : हां-हां ।

SHRI N. K. PREMACHANDRAN (KOLLAM): Thank you very much, Speaker Sir. I will confine my speech to two issues.

First, I am not going into the other details but you may kindly see that the Bill consists of 34 Clauses and two Schedules; and 14 enactments made by the Parliament are being amended through a piece of legislation moved by the hon. Finance Minister. So, the two issues which I would like to highlight are regarding the multiplicity of authorities. We are having an Insurance Regulatory Development Authority, the Reserve Bank of India, SEBI, as well as the PFRDAI. There are so many authorities that we have under various Acts. Now, the hon. Minister, by means of this Bill, is creating a new authority, that is, International Financial Services Centres Authority. So, another authority is also coming. We want to avoid the number of authorities; we want

to avoid the number of agencies. We want to have a single-window system for ease of doing business. But unfortunately, at the same time, we are creating more and more authorities. I would like to seek a clarification on that issue.

Secondly, coming to the technical point, this is very important and I am seeking protection from the hon. Speaker as a Member of Parliament. Kindly read Clause 31 (i), which says: “The Central Government may, by notification, direct that any of the provisions of any other Central Act ...” It says: “ The Central Government may, by notification, amend any of the provisions of any other Central Act or any rules or regulations made thereunder or any notification or order issued or directions given under specified notification (a) shall not apply to financial products, financial services, or financial institutions as the case may be in the international financial services centres.” Who gives the authority? How can Parliament give a stamp to the Government that any other Central legislation can be made not applicable to the international financial services centres? This means, all other legislation which we have passed are indirectly being amended by means of a legislation. It is not good for a healthy democracy because it is the domain of the Parliament. The Parliament’s supremacy is being taken away by Clause 31. Clause 31 has to be reviewed because Parliament does not give or cannot give any authority to change any other law made by Parliament that those laws are not applicable according to the whim and fancy of the Government. If you can make notifications from time to time to say that this Act is not applicable to the international financial services centres, why have you brought 14 Acts within the purview of this Bill? You have already brought 14 Acts within the purview of this Bill but you are also saying that ‘any other Act, any other Central legislation’ is not applicable as far as international financial services centres are concerned. You could have very well said in one sentence and concluded that no law is applicable to the international financial services centres. You have specified 14 Acts and you are giving a blank cheque to the Executive, to the Government, that you can change the rules and Acts made by Parliament.

That is not good for a healthy democracy. I strongly object to the provisions in Clause 31. Kindly review Clause 31. Thank you very much.

THE MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN): Dhanyavad, Speaker Sir.

I thank all the Members who have participated in this discussion. Even at the beginning, I went into a bit of details about what this Bill proposed to bring. It is certainly trying to get one authority which would be a single sort of window to take care of the financial centre which is being established in Gandhinagar. Sorry, Sir, I am taking a little time to gather my papers.

Sir, about 21 hon. Members have spoken on this Bill. They all have gone into great details and I will try, as much as possible, answering each one with specific references. A lot of what has been raised by several Members, will be covered in the general answer. Answer given for one Member may equally apply for the other Members. Sir, I seek your indulgence, if I do not name each one of the Members while giving answers.

I will just go back for a minute to say that the establishment of an exclusive Financial Centre, the way you establish an IT Park or a particular manufacturing park and so on, was proposed – with a bit of emphasis I would like to say – and the clearance for such an SEZ exclusively for financial purpose was given not in 2015, as many of the Members have quoted. In 2015, a notification and also a proposal, speaking about how regulators will issue notification for the functioning of those institutions in GIFT cities, came through in the Parliament. But, the application for setting up an SEZ exclusively for financial services, was made by the State of Gujarat in 2011 and its permission was given by the then Commerce Ministry under the UPA Government. At that time, pardon me, if I sound a bit sarcastic, it was not questioned as to why the Government is going to a State there is prohibition.

जिस राज्य में प्रोहिबिशन है, वहां फाइनेंशियल हब को ले जाने में लोग कहाँ आएंगे? तब क्यों आपके दिमाग में यह नहीं आया? सन् 2011 में एसईजेड गांधी नगर में सैट-अप करने के लिए जब गुजरात सरकार दिल्ली पहुंची, तो तब की कॉमर्स मिनिस्ट्री से परमिशन दी गयी थी। तब आपने प्रोहिबिशन के बारे में नहीं सोचा? उससे पहले मैं यह भी बोलना चाह रही हूँ, सरकास्टिकली समझो, सॉरी if it sounds sarcastically गुजरात में कांग्रेस की सरकार तब से थी? कितने साल थी? अरे इंडस्ट्री नहीं आएगी, इनवेस्टमेंट नहीं आएगा, प्रोहिबिशन को हटा दो माहत्मा गांधी के राज्य से। आपको सोचने के लिए अधिकार था। आपको यह सब सोच अब आ रही है। International Financial Centres like Singapore or London, do not have free availability of liquor. Let us be a little more serious when we are putting an argument. I would say that the permission for setting up this SEZ was not given after the NDA came to power under the leadership of Modi ji. It was given permission in 2011. The Commerce ministry had given this permission then. Let us take that in our stride. So, the notification for the GIFT city as a Financial Services Centre was given in 2011. Post which, of course, a lot of discussion took place.

Even as I am saying this, I would like to underline the fact that nothing stops anybody else from applying for it. Every State, like they would have applied for setting up an SEZ, can seek the Commerce Ministry's approval for setting up an SEZ. They can say that the land is acquired, infrastructure is ready and the Centre will give permission for establishment of one more SEZ. If the States want to apply, they can. I will go one-by-one on these points.

It is not as if now, somebody from the Centre, under the NDA led by the Prime Minister Shri Modi, is giving it to Gujarat. Please appreciate the fact that he was the first mover, as the Chief Minister of Gujarat, to think futuristically and he said that India needed a financial hub which would match up with London, Singapore or any other financial centre. He created that SEZ; applied to the Centre; got it cleared; invested in it and also made sure that it meets global standards. So, I would appeal to Members to understand that it is not a gift being given now. As an hon. Chief Minister of Gujarat then and now

Prime Minister, he gifted it to his State for the people of Gujarat. Therefore, it is now standing there.

Today, whatever is being done is because we need to have a sense of pride also to make sure that we create international class institutions. Nothing stops any other State from applying. Nothing stops any other State from investing. Nothing stops any other State from giving incentive to build an international hub. So, let us remove that misconception.

PROF. SOUGATA RAY : Has any other State applied?

SHRIMATI NIRMALA SITHARAMAN: Prof., I will have to check that.

So, that is the way in which we would like to lay this fact about the GIFT city. Let me reiterate for clarity sake that the Special Economic Zone – the Gandhinagar International Financial Centre – was permitted by the Ministry of Commerce and Industry on 18th August, 2011 for setting up IFSC at Gandhinagar, Gujarat.

Then, what happened in 2015? All of us think that it was in 2015 when it was set up after Shri Modi became Prime Minister. Actually, in 2015, in the Budget Speech, the then Finance Minister had very clearly said that the first phase of GIFT as an International Finance Centre would soon become a reality. So, once the conception, permission and everything were obtained in 2011, the first phase commencement was what got announced in 2015 in the Budget leading many of us to think that it was then set up. No, it was the first phase which was part of the Finance Minister's announcement.

I just want to trace very quickly the entire background. Then, of course, in 2016 competitive tax regimes were announced by FSC. The exemptions were provided in 2017 and 2017 also saw a tie up with Singapore and International Arbitration Centre for dispute resolution mechanism to be set up. Then, in 2017, the starting of an international exchange happened. Several banking units came in there and insurance entities also reached there. Then in

2018, announcement for setting up a unified regulator for IFSC was announced. Now, we are seeing the Bill for it. Additional tax reforms were also announced in 2018. Then 2019 also saw quite a few announcements like announcement to set up aircraft leasing and financing activities in IFSC. Then 2019 also saw, 13 banks, 19 insurance firms and around 50 capital market entities licensed in IFSC. So, IFSC Authority Bill comes now. This is how I would like to trace the entire activity of the IFSC. So, it is not that suddenly we have chosen to give it to one particular State.

I think I have sort of answered this question about why Gandhinagar but I would now like to quote a reply given by the then Finance Minister in this House in response to a question which is very similar to the question Supriya Ji has asked, that is, why not Mumbai and why not Bandra-Kurla Complex (BKC). Professor has also asked this and many others have also asked this. I was surprised that Prof. Sougata Ray was asking for Mumbai, Bandra-Kurla Complex and not about Kolkata. Are you all right with that? ... (*Interruptions*). That is all right but you were very keen to quote that rather than Kolkata.

PROF. SOUGATA RAY : I will move an amendment on this.

SHRIMATI NIRMALA SITHARAMAN : Which, of course, will now get negatived....(*Interruptions*) Thank you, I do not need judgemental comments. If sarcasm has been thrown at me, so shall I with the permission of the Chair ...(*Interruptions*) Each time I do qualify for that – sarcasm for sarcasm.

I would now like to quote the then Finance Minister. I am doing an English translation of what he said, not reading the Hindi although the Hindi version is with me here. I quote:

“Hon. Speaker, Madam, there is no direct relation to the Question”
Which meant ‘why not elsewhere’ “but I can say to the hon. MP,”

I am quoting the late Arun Jaitley who said it in this House.

“that there is a limit to how many such International Financial Centres can be set up.”

There is not, of course, one – this is not part of the quote:

“This is because the first GIFT city is already under development in Gandhinagar, Gujarat. Firstly, we have to utilise fully that one and then we can think of another. The Government of Maharashtra is requesting again and again that such IFSC should be made in BKC, Mumbai. But if we make more, then we can’t utilise the existing one fully. Therefore, we should first optimally utilise the GIFT city and then we can think further on this issue.”

This was the reply in response to a question asked to Shri Arun Jaitley on 22nd December, 2017. That partly probably answers the questions that there is no limitation, in the sense, States can apply and if they want to set up more, they can.

संसदीय कार्य मंत्रालय में राज्य मंत्री तथा भारी उद्योग और लोक उद्यम मंत्रालय में राज्य मंत्री (श्री अर्जुन राम मेघवाल): पहले गाँधीनगर को यूटिलाइज करेंगे, फिर आगे बढ़ेंगे ।...(व्यवधान)

श्री नामा नागेश्वर राव (खम्माम): गाँधीनगर को यूटिलाइज करने में 20 साल लगेंगे । हम हैदराबाद के बारे में पूछ रहे हैं ।...(व्यवधान)

PROF. SOUGATA RAY : Why did you then not give the permission? You were the then Commerce Minister. In 2017, why did you not give the permission?

SHRIMATI NIRMALA SITHARAMAN: Has the quote I read out not given the answer to your question? I will read it again, if you wish.

“Hon. Speaker, Madam, there is no direct relation to the Question but I can say to the hon. Member that there is a limit to how many such International Financial Centres can be set up. This is because the first GIFT city is already under development in Gandhinagar, Gujarat.

Firstly, we have to utilise fully that one, then we can think of another. The Government of Maharashtra is requesting again and again that such IFSC should be made in the BKC, Mumbai. But if we make more, then we can't utilise the existing one fully. Therefore, we should first optimally utilise GIFT city and then we can think further on this issue.”

This was his reply. ...(*Interruptions*) But I have explained the process.

SHRIMATI SUPRIYA SADANAND SULE : Madam, if there is investment in an area in my district *vis-à-vis* another district which is developed, then should that district not be considered? Mumbai has opportunities. Would you consider setting up one IFSC in Mumbai? ...(*Interruptions*)

SHRIMATI NIRMALA SITHARAMAN: Like as I said, if the States invest and like any other SEZ if they apply for it and they want us to consider, ... (*Interruptions*) I am trying to further answer your question specifically that the provisions allow for setting up more IFSCs ...(*Interruptions*) Prof. Ray, you have been keen to get this answer, the provisions allow for setting up more IFSCs. The rationale why the second was not immediately considered was explained by my predecessor and I have quoted that. That is the factual position. So, there is nothing which says that there cannot be a second one. But the answer given at that time in 2017 was to say we need to optimally utilise it.

SHRIMATI SUPRIYA SADANAND SULE : Now, since you are the Finance Minister, will you consider it now?

SHRIMATI NIRMALA SITHARAMAN : I do not represent the Commerce Ministry.

I now move to the broader point of what exactly is the infrastructure. The total area of the GIFT City is 886 acres and the GIFT City is divided into two zones. One is domestic zone which is spread over 625 acres and the other is the SEZ IFSC zone which is spread over 261 acres. The second half of IFSC is a multi service SEZ with International Financial Services Approval Centre and IFSC houses several Services SEZ units. It also houses the Financial Service Units under the IFSC umbrella regulated by RBI, SEBI, IREDA, PFRDA and so on.

What we want to do now is to get one Authority which can oversee all these operations. That does not mean that the regulators and their independence and the power that they enjoy is getting undermined. In as much as having to take care or supervise and regulate activities in the IFSC, they become single window. But that does not undermine the power of the RBI or SEBI or other authorities which are any way functioning as the way they have functioned all the while. It is only for this purpose that they all become one instead of people having to run to several authorities to ask for clearances.

As I explained before, States have to seek permission to set up an International IFSC and they have to approach the Department of Commerce. All this remains; nothing has changed but however, there were quite a few Members who asked whether the CAG will check up what happens. The IFSC, for clarity sake, is a company with less than 51 per cent of Government equity about which all of you have raised in connection with the ILFS. I will explain that too.

The Authority will be subject to CAG, will be subject to CVC, and oversights of all of them will apply on the Authority.

The Ministry of Finance is responsible for regulating financial transactions of the IFSC and the Authority will be, of course, an independent one. It is not as if the Central Government is taking all the authority and controlling them. They shall be an independent body.

Referring to the Percy Mistry Report, Shrimati Supriya Sule spoke about the GDP growth which has to be more than 10 per cent and also the Government debt will have to be reduced. Yes, the Committee recommended about eight to ten per cent growth. If it can be sustained, it will be better for this institution. India is definitely growing and I do not think there is a blip in a quarter, I am not undermining the challenges. I do not want it to be interpreted like that immediately. But that need not be a dampener for setting up an institution of this kind which takes a long gestation to come to fruition.

It also did recommend lowering public debt and I take this opportunity to say that public debt to GDP of the Central Government today is showing a reducing trend from 52.2 per cent in 2013-14 to 49.4 per cent in 2018-19. So, debt is coming down. And have we done a cost benefit analysis? Obviously, for a big venture like this, it is done. I started my initial remarks by saying that the Committee had even then, in 2008, recognised that the loss to the country by 2015 of those Financial Services fees going out of the country would be much more than 50 billion. If we want to get that back, how do we get that back? It is because most of them pertain to Indian companies. They are going out to seek those services. So, we have to save that money from going out of this country and we can do that only if we have something which is going to meet the requirements of people who are seeking such services and, therefore, it is important.

We are amending 14 Acts. Shri N.K. Premachandran spoke about that. We are amending them and that is required because all the regulators like RBI, SEBI, IRDA, PFRDA, all of them do refer to various Acts when they have to perform their duties as regulators. The Reserve Bank of India, while dealing with institutions of this nature, invokes at least seven different Acts and, that is why, in this Bill, we have shown those different Acts which will also have collateral implication of this Bill. As a result of this, they will have to be amended. So, 7 Acts which relate to RBI, 3 Acts which relate to SEBI, 3 Acts

which relate to IRDA and one Act which relates to PFRDA are all now being, at least in some aspects, amended.

SHRI N. K. PREMACHANDRAN : As far as these 14 enactments are concerned, there is no objection because they are specifically mentioned in the Bill. But Clause 31 of this Bill gives a blanket cheque to the Government to amend any other Central legislation. By this, the legislative supremacy of the Parliament is taken away. That is my objection.

SHRIMATI NIRMALA SITHARAMAN: As far as the specific question that you asked me about Clause 31 is concerned, there are several precedents, Premachandranji. It is like Clause 49 of the SEZ Act of 2005. These are powers which are made or powers which are being referred only because you want to make ease of functioning is not violating anything to do with the sovereign authority of the Parliament. So, this is not a *carte blanche* which the House is giving us when you are passing this Bill. Earlier in the SEZ Act, the Government has done this and we are not doing anything violative of the established practices.

The hon. Member Shri Venkatesan has mentioned in Tamil that there are 14 Acts being taken up and said that ED, CBI, C&AG etc. would not be able to question. No, that is not true. All laws of the land will apply to this area. There is no law which is being kept away. ED, PMLA and CBI would all be able to function as they are now. The C&AG would audit the Authority and the 14 Acts are amended only because the Authority needs to be empowered. Otherwise, you are going to have people having to go to eight or nine different institutions to establish their units in these areas. Therefore, it was more from the point of facilitating, rather than taking away the powers.

The hon. Member Shri Kaushalendra Kumar asked a question about the Prevention of Money Laundering Act. This Act forms the basis of all KYC and client due diligence measures in India are applicable to the GIFT City. So, every money laundering related measure which the Government takes will be fully applicable even in the IFSC.

I think, broadly I have addressed all the issues except the question of ILFS and also the question as to whether this is going to become a tax haven. Not at all, because tax holiday is given for IFSC only for 10 years and that is in line with the policy adopted under the SEZ Policy of the Government of India. So, if you did not have this fear about SEZ anywhere else for any other functioning, you need not have it for this one also. So, all laws are applicable and a tax holiday is only with a Sunset clause. I think this suspicion that might end up being a tax haven, need not be in our minds.

As regards IL&FS, first of all, there is a very clear attempt to resolve the crisis of IL&FS with the Government-appointed Board about which I think, at some other time we can get into the details. But it is a fact that it is nearing some kind of a resolution. I am not speaking for Government of Gujarat, but I have seen reports where the Government of Gujarat has very clearly said that they are making efforts to ensure that, that component in this body where Government of Gujarat owns shares and IL&FS also got a hold. Probably somewhere Government of Gujarat would want to take over IL&FS's part in context of the difficulties being faced by IL&FS. So, it is not as if it is doomed, it is not as if it is collapsing. Everybody there is quite seized of it. We are also monitoring the situation.

About the worry that the CEO of Gift City has quit, I am sorry, the CEO was the nominee of the IL&FS. Therefore, after the crisis of IL&FS came out, he had to quit. Former Secretary, Ministry of Corporate Affairs, Shri Tapan Ray is now the CEO. So, let us not have this fear that, 'Oh, somebody has quit, he has left and gone, so the whole place is vacant.' No, No. Morally, the right thing was done. He had to quit as he was a nominee of the IL&FS. So,

now whoever is appointed has been appointed by the Gujarat Government. So, I think, broadly most of the issues have been addressed by me.

About the PRC, the Performance Regulatory Committee, a lot of Members have spoken saying it is all internal, we are looking at whatever is happening. This follows best global practices. A two-member Committee looking into what is happening inside is one of the ways in which performance is monitored; and that is following the best practices which prevail globally. There is nothing otherwise.

Sir, thank you very much for having allowed me to give the explanation.

डॉ. निशिकांत दुबे (गोड्डा): सर, मेरे दो प्रश्न हैं ।

माननीय अध्यक्ष : आपका ज्ञान सभी मानते हैं ।

डॉ. निशिकांत दुबे : अध्यक्ष महोदय, मेरे दो छोटे-छोटे क्वेश्चंस हैं । यह बड़ा फार रीचिंग लेजिस्लेशन है, लेकिन जो कंसर्न है कि अभी जो एक्सटर्नल कामर्शियल बॉरोइंग या रीइंश्योरेंस या एफडीआई जो भी आता है, उसके रेग्युलेटर उसको रेग्युलेट करते हैं । यदि यह सारा अधिकार हम उसमें देंगे, तो रेग्युलेटर और उनके बीच में जो लड़ाई होगी, उसका मैकेनिज्म क्या होगा? यह मंत्री जी को बताना चाहिए ।

दूसरा सवाल बहुत इंपोर्टेंट है । इन्होंने टैक्स हॉलीडे एसईजेड में 10 साल के लिए दिया है । मान लीजिए कि गिफ्ट सिटी में इन्होंने एसईजेड बनाया । देश में उदाहरण है कि एसईजेड डीटीए में कनवर्ट हो जाता है । 10 साल के बाद वह डीटीए बन जाएगा । उसी की सारी संस्थाएं, मान लीजिए बीकेसी में कोई लाइसेंस आपने दिया, तो बीकेसी चला जाएगा, कोलकाता चला जाएगा । सेम कंपनी 10 साल यहां टैक्स हॉलीडे लेगी, 10 साल मुंबई में लेगी, 10 साल कोलकाता में लेगी । इसको रोकने के लिए सरकार ने इस बिल में क्या उपाय किया है? ये दो चीजें मंत्री जी बताएंगी, तो बहुत कृपा होगी ।

श्रीमती निर्मला सीतारमण : मैं मेंबर का सेकेंड पाइंट सुझाव के नाते ले लेती हूं । On the first point, every overseas borrowing is regulated by the authorities and if there are activities happening here, they will obviously be going through the regulator who is all present there. Therefore, GIFT city's treatment for overseas borrowings being a bonded area of Special Economic Zone will also be regulated. It does not mean that regulators do not function there. We have unified all of them, so that there is a single window. But regulators will work even there.

माननीय अध्यक्ष : प्रश्न यह है:

“कि भारत में अंतर्राष्ट्रीय वित्तीय सेवा केंद्रों में वित्तीय सेवा बाजार विकसित और विनियमित करने हेतु एक प्राधिकरण की स्थापना के लिए और उससे संबंधित या आनुषंगिक विषयों का उपबंध करने वाले विधेयक पर विचार किया जाए । ”

प्रस्ताव स्वीकृत हुआ ।

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माननीय अध्यक्ष : अब सभा विधेयक पर खंडवार विचार करेगी ।

Clause 2

Application

माननीय अध्यक्ष : प्रश्न यह है:

“कि खंड 2 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।
खंड 2 विधेयक में जोड़ दिया गया ।

Clause 3

Definitions

माननीय अध्यक्ष: प्रो. सौगत राय, क्या आप संशोधन संख्या 1 मूव करना चाहते हैं?

PROF. SOUGATA RAY (DUM DUM): Sir, I am not moving my amendment No. 1.

माननीय अध्यक्ष: श्री एन.के. प्रेमचन्द्रन, क्या आप संशोधन संख्या 16 मूव करना चाहते हैं?

SHRI N. K. PREMACHANDRAN (KOLLAM): Sir, I am moving my amendment No. 16. It is about definition of financial product.

I beg to move:

Page 2, *after* line 15,--

insert “(iv a) contracts of Indemnity bonds;”. (16)

माननीय अध्यक्ष : अब मैं श्री एन.के. प्रेमचन्द्रन द्वारा खंड 3 में प्रस्तुत संशोधन संख्या 16 को सभा के समक्ष मतदान के लिए रखता हूँ ।

संशोधन मतदान के लिए रखा गया तथा अस्वीकृत हुआ ।

माननीय अध्यक्ष: प्रश्न यह है:

“ कि खंड 3 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।
खंड 3 विधेयक में जोड़ दिया गया ।

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Clause 4

**Establishment and incorporation
of Authority**

माननीय अध्यक्ष: प्रो. सौगत राय, क्या आप संशोधन संख्या 2 और 3 मूव करना चाहते हैं?

PROF. SOUGATA RAY : Sir, I am moving my amendment Nos. 2 and 3.

I beg to move:

Page 3, for lines 28 and 29,--

substitute “(3) The head office of the Authority shall be located at at Kolkata and Regional Offices shall be located at four other places in the country.”. (2)

Page 3, line 31,--

omit “or outside India”. (3)

माननीय अध्यक्ष : अब मैं प्रो. सौगत राय द्वारा खंड 4 में प्रस्तुत संशोधन संख्या 2 और 3 को सभा के समक्ष मतदान के लिए रखता हूँ ।

संशोधन मतदान के लिए रखे गए तथा अस्वीकृत हुए ।

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माननीय अध्यक्ष: श्री कोडिकुन्नील सुरेश, क्या आप संशोधन संख्या 43 मूव करना चाहते हैं?

SHRI KODIKUNNIL SURESH (MAVELIKKARA): Sir, I am moving my amendment No. 43.

I beg to move:

Page 3, line 23,--

after “Authority”

insert “of India”. (43)

माननीय अध्यक्ष : अब मैं श्री कोडिकुन्नील सुरेश द्वारा खंड 4 में प्रस्तुत संशोधन संख्या 43 को सभा के समक्ष मतदान के लिए रखता हूँ ।

संशोधन मतदान के लिए रखा गया तथा अस्वीकृत हुआ ।

माननीय अध्यक्ष: प्रश्न यह है:

“ कि खंड 4 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।
खंड 4 विधेयक में जोड़ दिया गया ।

Clause 5

Composition of Authority

माननीय अध्यक्ष: प्रो. सौगत राय, क्या आप संशोधन संख्या 4 और 5 मूव करना चाहते हैं?

PROF. SOUGATA RAY: Sir, I am moving my amendment Nos. 4 and 5.

I beg to move:

Page 3, *after* line 34,--

insert “(aa) Two Members from Lok Sabha and one Member from Rajya Sabha , to be nominated by the Speaker of Lok Sabha and Chairman of Rajya Sabha respectively, ex-officio;”. (4)

Page 4, lines 4 and 5,--

for “whole-time or part-time Members as the Central Government deem fit” (5)

माननीय अध्यक्ष : अब मैं प्रो. सौगत राय द्वारा खंड 5 में प्रस्तुत संशोधन संख्या 4 और 5 को सभा के समक्ष मतदान के लिए रखता हूँ ।

संशोधन मतदान के लिए रखे गए तथा अस्वीकृत हुए ।

माननीय अध्यक्ष: श्री एन.के. प्रेमचन्द्रन, क्या आप संशोधन संख्या 17 और 18 मूव करना चाहते हैं?

SHRI N. K. PREMACHANDRAN : Sir, I am moving my amendment Nos 17 and 18 because I feel that the Selection Committee to the Authority should be independent.

I beg to move:

Page 3, *for* lines 34,--

substitute “(a) a Chairperson , who shall be a retired judge of High Court;”. (17)

Page 4, *for* lines 10 and 12,--

substitute “(a) Chief Justice of India or a Judge of Supreme Court authorised by the Chief Justice of India;
(b) Minister of Finance; and

© Leader of the largest party in opposition.”. (18)

माननीय अध्यक्ष : अब मैं श्री एन.के. प्रेमचन्द्रन द्वारा खंड 5 में प्रस्तुत संशोधन संख्या 17 और 18 को सभा के समक्ष मतदान के लिए रखता हूँ ।

संशोधन मतदान के लिए रखे गए तथा अस्वीकृत हुए ।

माननीय अध्यक्ष: श्री टी.एन. प्रथापन - उपस्थित नहीं ।

श्री रितेश पाण्डेय, क्या आप संशोधन संख्या 37 और 38 मूव करना चाहते हैं?

SHRI RITESH PANDEY (AMBEDKAR NAGAR): Sir, I am not moving my amendment Nos 37 and 38.

माननीय अध्यक्ष: श्री कोडिकुन्नील सुरेश, क्या आप संशोधन संख्या 44 से 46 मूव करना चाहते हैं?

SHRI KODIKUNNIL SURESH : Sir, I am not moving my amendment Nos. 44 and 45, but I am moving my amendment No. 46.

I beg to move:

Page 4, for lines 6 to 9,--

substitute “(3) The Members shall be persons of proven ability, integrity and standing who have displayed capacity in effectively addressing matters in connection with financial sectors of hold domain level knowledge or experience of law, finance, economics, accountancy and bookkeeping, managerial administration which in the opinion of the Central Government, shall be of operational utility to the Authority till such time as the Central Government deems appropriate as specified by the regulations.”. (46)

माननीय अध्यक्ष : अब मैं श्री कोडिकुन्नील सुरेश द्वारा खंड 5 में प्रस्तुत संशोधन संख्या 46 को सभा के समक्ष मतदान के लिए रखता हूँ ।

संशोधन मतदान के लिए रखा गया तथा अस्वीकृत हुआ ।

माननीय अध्यक्ष: श्री जसबीर सिंह गिल - उपस्थित नहीं ।

प्रश्न यह है:

“ कि खंड 5 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 5 विधेयक में जोड़ दिया गया ।

Clause 6

Terms of office and conditions of services of Chairperson and other Members

माननीय अध्यक्ष: प्रो. सौगत राय, क्या आप संशोधन संख्या 6 से 8 मूव करना चाहते हैं?

PROF. SOUGATA RAY : Sir, I am not moving my amendment Nos. 6,7 and 8.

माननीय अध्यक्ष: श्री एन.के. प्रेमचन्द्रन, क्या आप संशोधन संख्या 19 मूव करना चाहते हैं?

SHRI N. K. PREMACHANDRAN : Sir, I am not moving my amendment No. 19.

माननीय अध्यक्ष: श्री कोडिकुन्नील सुरेश, क्या आप संशोधन संख्या 47 मूव करना चाहते हैं?

SHRI KODIKUNNIL SURESH : Sir, I am not moving my amendment No. 47.

माननीय अध्यक्ष: प्रश्न यह है:

“ कि खंड 6 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 6 विधेयक में जोड़ दिया गया ।

Clause 7

Removal of a Member from office

माननीय अध्यक्ष: प्रो. सौगत राय, क्या आप संशोधन संख्या 9 प्रस्तुत करना चाहते हैं?

PROF. SOUGATA RAY : Sir, I am not moving my amendment.

माननीय अध्यक्ष: श्री टी.एन. प्रथापन- उपस्थित नहीं ।

श्री कोडिकुन्नील सुरेश, क्या आप संशोधन संख्या 48 प्रस्तुत करना चाहते हैं?

SHRI KODIKUNNIL SURESH : Sir, I am not moving my amendment.

माननीय अध्यक्ष : प्रश्न यह है :

“कि खंड 7 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 7 विधेयक में जोड़ दिया गया ।

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Clause 8

Meetings of Authority

माननीय अध्यक्ष: प्रो. सौगत राय जी, क्या आप संशोधन संख्या 10 और 11 प्रस्तुत करना चाहते हैं?

PROF. SOUGATA RAY : Sir, I am not moving my amendments.

माननीय अध्यक्ष: श्री एन.के. प्रेमचन्द्रन, क्या आप संशोधन संख्या 20 प्रस्तुत करना चाहते हैं?

SHRI N. K. PREMACHANDRAN : Sir, I am not moving my amendment.

माननीय अध्यक्ष: श्री टी.एन. प्रथापन - उपस्थित नहीं ।

श्री कोडिकुन्नील सुरेश, क्या आप संशोधन संख्या 49 प्रस्तुत करना चाहते हैं?

SHRI KODIKUNNIL SURESH : Sir, I am not moving my amendments 49 and 50.

माननीय अध्यक्ष : प्रश्न यह है :

“कि खंड 8 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 8 विधेयक में जोड़ दिया गया ।

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Clause 9

Vacancies, etc., not to in

validate proceedings of Authority

माननीय अध्यक्ष: प्रो. सौगत राय, क्या आप संशोधन संख्या 12 प्रस्तुत करना चाहते हैं?

PROF. SOUGATA RAY : Sir, I am not moving my amendment.

माननीय अध्यक्ष : प्रश्न यह है :

“कि खंड 9 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 9 विधेयक में जोड़ दिया गया ।

खण्ड 10 विधेयक में जोड़ दिया गया ।

Clause 11

Officers and other employees of Authority

माननीय अध्यक्ष: प्रो. सौगत राय जी, क्या आप संशोधन संख्या 13 और 14 प्रस्तुत करना चाहते हैं?

PROF. SOUGATA RAY : Sir, I am not moving my amendments 13 and 14.

माननीय अध्यक्ष : प्रश्न यह है :

“कि खंड 11 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 11 विधेयक में जोड़ दिया गया ।

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Clause 12

Functions of Authority

माननीय अध्यक्ष: प्रो. सौगत राय, क्या आप संशोधन संख्या 15 प्रस्तुत करना चाहते हैं?

PROF. SOUGATA RAY : Sir, I am not moving my amendment.

माननीय अध्यक्ष : प्रश्न यह है :

“कि खंड 12 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 12 विधेयक में जोड़ दिया गया ।

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Clause 13

Powers of Authority in relation to financial products, financial services and financial institutions

माननीय अध्यक्ष: श्री रितेश पाण्डेय, क्या आप संशोधन संख्या 39 और 40 प्रस्तुत करना चाहते हैं?

SHRI RITESH PANDEY : Sir, I beg to move:

Page 5, *omit* lines 44 and 45. (39)

Page 6, *omit* lines 1 to 5. (40)

माननीय अध्यक्ष : अब मैं श्री रितेश पाण्डेय द्वारा खंड 13 में प्रस्तुत संशोधन संख्या 39 और 40 को सभा के समक्ष मतदान के लिए रखता हूं ।

संशोधन मतदान के लिए रखा गया तथा अस्वीकृत हुआ ।

माननीय अध्यक्ष : प्रश्न यह है :

“कि खंड 13, विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 13 विधेयक में जोड़ दिया गया ।

खण्ड 14 और 15 विधेयक में जोड़ दिए गए ।

Clause 16

Accounts and audit

माननीय अध्यक्ष: श्री एन.के. प्रेमचन्द्रन, क्या आप संशोधन संख्या 21 प्रस्तुत करना चाहते हैं?

SHRI N. K. PREMACHANDRAN : Sir, I will move only very serious amendment, that is, “The authority shall maintain proper accounts and audit.” The provision is “in consultation with” C&AG and my amendment is “as per the directions of” C&AG.

I beg to move:

Page 7, line 3,-

for “in consultation with”

substitute “as per the directions of”. (21)

माननीय अध्यक्ष : अब मैं श्री एन.के. प्रेमचन्द्रन द्वारा खंड 16 में प्रस्तुत संशोधन संख्या 21 को सभा के समक्ष मतदान के लिए रखता हूं ।

संशोधन मतदान के लिए रखा गया तथा अस्वीकृत हुआ ।

माननीय अध्यक्ष : प्रश्न यह है :

“कि खंड 16 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 16 विधेयक में जोड़ दिया गया ।

Clause 17

Performance Review Committee

माननीय अध्यक्ष: श्री एन.के. प्रेमचन्द्रन, क्या आप संशोधन संख्या 22 प्रस्तुत करना चाहते हैं?

SHRI N. K. PREMACHANDRAN : Sir, I am not moving my amendment.

माननीय अध्यक्ष: श्री टी.एन. प्रथापन - उपस्थित नहीं ।

माननीय अध्यक्ष: प्रश्न यह है :

“कि खंड 17 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 17 विधेयक में जोड़ दिया गया ।

खंड 18 विधेयक में जोड़ दिया गया ।

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Clause 19

Returns and Reports

माननीय अध्यक्ष: श्री एन.के. प्रेमचन्द्रन, क्या आप संशोधन संख्या 23 प्रस्तुत करना चाहते हैं?

SHRI N. K. PREMACHANDRAN : Sir, I am not moving my amendment.

माननीय अध्यक्ष: प्रश्न यह है :

“कि खंड 19 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 19 विधेयक में जोड़ दिया गया ।

खण्ड 20 और 21 विधेयक में जोड़ दिए गए ।

Clause 22

Power of Central Government to supersede Authority

माननीय अध्यक्ष : श्री रितेश पाण्डेय, क्या आप संशोधन संख्या 41 प्रस्तुत करना चाहते हैं?

श्री रितेश पाण्डेय : माननीय अध्यक्ष जी, इस बिल में केंद्र सरकार के पास पावर का जो केंद्रीयकरण हुआ है, उसको देखते हुए, इसे हटाने के लिए मेरा यह मत है कि मैं इस संशोधन को मूव कर रहा हूं ।

I beg to move:

Page 8, for line 27, –

substitute “22. (l) If at any time, the Comptroller and Auditor

General, after consultation with the Central Government,

is of the opinion that.” (41)

माननीय अध्यक्ष : अब मैं श्री रितेश पाण्डेय द्वारा खंड 22 में प्रस्तुत संशोधन संख्या 41 को सभा के समक्ष मतदान के लिए रखता हूं ।

संशोधन मतदान के लिए रखा गया तथा अस्वीकृत हुआ ।

माननीय अध्यक्ष : श्री कोडिकुन्नील सुरेश, क्या आप संशोधन संख्या 50 प्रस्तुत करना चाहते हैं?

SHRI KODIKUNNIL SURESH : Sir, it is an important amendment. The Reserve Bank of India is the custodian of all the matters related to finance. I beg to move:

Page 8, line 37, –

omit “, not exceeding six months,’ (50)

माननीय अध्यक्ष : अब मैं श्री कोडिकुन्नील सुरेश द्वारा खंड 22 में प्रस्तुत संशोधन संख्या 50 को सभा के समक्ष मतदान के लिए रखता हूँ ।

संशोधन मतदान के लिए रखा गया तथा अस्वीकृत हुआ ।

माननीय अध्यक्ष : प्रश्न यह है:

“ कि खंड 22 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 22 विधेयक में जोड़ दिया गया ।

खंड 23 से 26 विधेयक में जोड़ दिए गए ।

Clause 27 to 30

माननीय अध्यक्ष : श्री एन.के.प्रेमचन्द्रन, क्या आप संशोधन संख्या 24 प्रस्तुत करना चाहते हैं?

SHRI N. K. PREMACHANDRAN : Sir, I am not moving the amendment because it has become infructuous.

माननीय अध्यक्ष : प्रश्न यह है:

“ कि खंड 27 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 27 विधेयक में जोड़ दिया गया ।

खंड 28 से 30 विधेयक में जोड़ दिए गए ।

Clause 31 Powers to modify provisions of Other enactments in relation to International Financial Services Centres

माननीय अध्यक्ष : श्री एन.के.प्रेमचन्द्रन, क्या आप संशोधन संख्या 25 प्रस्तुत करना चाहते हैं?

SHRI N. K. PREMACHANDRAN : Sir, this is the contentious amendment which I have already moved. The hon. Minister has replied. But my suggestion is that let it be with the prior approval of the Parliament. We cannot give a blanket cheque to the Government to amend all the existing Central legislations. I beg to move:

Page 10, line 32, –

after “may,”

insert “, with prior approval of the Parliament,”. (25)

माननीय अध्यक्ष : अब मैं श्री एन.के.प्रेमचन्द्रन द्वारा खंड 31 में प्रस्तुत संशोधन संख्या 25 को सभा के समक्ष मतदान के लिए रखता हूँ ।

संशोधन मतदान के लिए रखा गया तथा अस्वीकृत हुआ ।

माननीय अध्यक्ष : प्रश्न यह है:

“ कि खंड 31 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।
खंड 31 विधेयक में जोड़ दिया गया ।

Clause 32

Power to remove difficulties

माननीय अध्यक्ष : श्री एन.के.प्रेमचन्द्रन, क्या आप संशोधन संख्या 26 प्रस्तुत करना चाहते हैं?

SHRI N. K. PREMACHANDRAN : Sir, I am not moving my further amendments.

माननीय अध्यक्ष : प्रश्न यह है:

“ कि खंड 32 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।
खंड 32 विधेयक में जोड़ दिया गया ।
खंड 33 और 34 विधेयक में जोड़ दिए गए ।
प्रथम अनुसूची विधेयक में जोड़ दी गई ।

दूसरी अनुसूची

माननीय अध्यक्ष : श्री कोडिकुन्नील सुरेश, क्या आप संशोधन संख्या 51 प्रस्तुत करना चाहते हैं?

SHRI KODIKUNNIL SURESH : Sir, I am not moving the amendment.

माननीय अध्यक्ष : प्रश्न यह है:

“दूसरी अनुसूची विधेयक में जोड़ दी जाए ।”

प्रस्ताव स्वीकृत हुआ ।
दूसरी अनुसूची विधेयक में जोड़ दी गई ।

Clause 1 Short title and commencement

माननीय अध्यक्ष : श्री कोडिकुन्नील सुरेश, क्या आप संशोधन संख्या 42 प्रस्तुत करना चाहते हैं?

SHRI KODIKUNNIL SURESH : Sir, I am not moving the amendment.

माननीय अध्यक्ष : प्रश्न यह है:

“कि खंड 1 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।
खंड 1 विधेयक में जोड़ दिया गया ।

अधिनियमन सूत्र और विधेयक का पूरा नाम विधेयक में जोड़ दिए गए ।

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माननीय अध्यक्ष: माननीय मंत्री जी प्रस्ताव करें कि विधेयक पारित किया जाए ।

SHRIMATI NIRMALA SITHARAMAN: I beg to move:

“That the Bill be passed.”

माननीय अध्यक्ष: प्रश्न यह है:

“कि विधेयक पारित किया जाए।”

प्रस्ताव स्वीकृत हुआ।
