

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1400
ANSWERED ON:02.03.2001
BRINGING TRANSPARENCY IN STOCK EXCHANGES
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Will the Minister of FINANCE be pleased to state:

- (a) whether to improve transparency in the Indian bourses, the SEBI announced a code of ethics for directors and functionaries of stock exchanges;
- (b) if so, the details thereof; and
- (c) the impact so far witnessed on the code of ethics and to what extent this decision is likely to improve the functioning of stock exchanges?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): SEBI has intimated that it has formulated a code of ethics for directors and functionaries of stock exchanges which seeks to establish professional and ethical standards for improving transparency on the Indian stock exchanges.

(b): The code of ethics has the following salient features:

- Fairness and transparency in dealing with matters relating to the exchange and investors.
- Disclosure of dealings in securities by functionaries and directors of the exchange.
- Avoidance of conflict of interest in decision making; and disclosures of beneficial interest by these functionaries; and
- Compliance with all Rules/Regulations laid down by Regulatory Agencies/Exchanges and exercising due diligence in the performance of duties.

(c) When implemented, the code is expected to help in improving the professional and ethical standards of exchanges and also in creating better perception amongst investors about their working.