

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:836

ANSWERED ON:25.02.2011

FINANCIAL SECTOR LEGISLATIVE REFORMS COMMISSION

Deora Shri Milind Murti;Rani Killi Krupa

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has proposed to set up the Financial Sector Legislative Reforms Commission,
- (b)) if so, the details thereof;
- (c) the objective behind the setting up of the Commission and its structure;and
- (d) the time by which the said Commission is likely to be set up?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): Yes, Sir.

(b): The Finance Minister in his Budget speech 2010-11, inter alia, announced the proposal for setting up of a Financial Sector Legislative Reforms Commission (FSLRC) to rewrite and clean up the financial sector laws to bring them in line with the requirements of the sector. The need for a complete review of the existing financial sector laws is to make the Indian financial sector more vibrant and dynamic in an increasingly inter-connected world. FSLRC would, inter-alia, evolve a common set of principles to establish a new financial architecture.

(c): There are a large number of Acts and multiple Rules and Regulations that govern the financial sector in India. Many of them have been enacted several decades back. Though amended many times it has only added to the ambiguity and complexity of the laws. The FSLRC will help in removing these drawbacks. The Commission will be chaired by a former Judge of the Supreme Court of India and have members drawn from eminent experts in relevant fields.

(d): The proposal is submitted to the Cabinet for consideration.