

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1271
ANSWERED ON:30.11.2012
REGULATOR FOR COLLECTIVE INVESTMENT SCHEMES
Adhalrao Patil Shri Shivaji;Yadav Shri Dharmendra

Will the Minister of FINANCE be pleased to state:

- (a) whether International Advisory Board (IAB) of the Securities and Exchange Board of India (SEBI) had underlined the need for an independent and separate regulator for various unregulated collective investment and money circulation schemes in the country and if so, the details thereof;
- (b) whether the board also highlighted the need to review the capital adequacy norms of market intermediaries and if so, the details thereof; and
- (c) the steps taken by the Union Government in this regard?

Answer

THE MINISTER OF STATE FOR FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Securities and Exchange Board of India (SEBI) has informed that the second meeting of the International Advisory Board (IAB) was held on November 3-4, 2012 in Mumbai. The IAB, inter alia, discussed regulatory issues in respect of various unregulated collective investment schemes and capital adequacy norms. Details about the discussions held on these issues are annexed. (c): The International Advisory Board has been constituted by SEBI and the recommendations of the IAB, along with the actions taken by SEBI thereon, are reported to the SEBI Board.

Department of Financial Services has requested all the State Governments/UTs to set up a committee, including representation from the Reserve Bank, SEBI, Ministry of Corporate Affairs and the Economic Offences Wing of the State Police to enable enhanced sharing of information among the concerned agencies regarding unregulated activities and entities raising money from public with a view to defraud people.