

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1704
ANSWERED ON:16.08.2013
POWERS OF SEBI
Kalmadi Shri Suresh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has delegated or proposes to delegate powers to Securities and Exchange Board of India (SEBI) to summon phone call records, e-mails and phone text messages of persons under probe for insider trading and other market manipulations;

(b) if so, the details thereof; and

(c) the extent to which the SEBI is likely to be successful in curbing insider trading as a result thereof?

Answer

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

(a) and (b): Securities Laws (Amendment) Ordinance, 2013 dated July 18, 2013 has substituted clause (ia) of sub-section (2) of section 11 of Securities and Exchange Board of India Act, 1992, which reads as under:

‘ calling for information and records from any person including any bank or any other authority or board or corporation established or constituted by or under any Central or State Act which, in the opinion of the Board, shall be relevant to any investigation or inquiry by the Board in respect of any transaction in securities;’

(c): Securities and Exchange Board of India (SEBI) has been continuously conducting surveillance and undertaking investigations to determine the facts associated with alleged violations in the securities market. For its activities pertaining to investigation, SEBI requires to examine various documents including Call Data Records (CDR), e-mail records and phone text messages of suspected persons to establish their role as market manipulators. This is especially true as financial crimes such as insider trading and other fraudulent and manipulative trade practices use high technology communication systems and therefore speedy access to such communications including CDR, e-mail records and phone text messages is essential for SEBI to discharge its regulatory function.