

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4669

ANSWERED ON:21.02.2014

FINANCIAL SECTOR LEGISLATIVE REFORMS COMMISSION

Majhi Shri Pradeep Kumar;Rane Dr. Nilesh Narayan;Viswanathan Shri P.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Financial Sector Legislative Reforms Commission has submitted its Report to the Government;
- (b) if so, the details of legislative and non-legislative recommendations/suggestions made therein;
- (c) the details of recommendations/suggestions accepted and implemented by the Government so far;
- (d) the time by which action on remaining recommendations/suggestions is likely to be completed; and
- (e) the benefits accrued/likely to accrue to the financial sector as a result thereof?

Answer

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

(a) Yes, Sir.

(b) Legislative recommendations relate to revamping the legislative framework of the financial sector regulatory architecture by a principle-based approach and by restructuring existing regulatory agencies and creating new agencies wherever needed. Non-legislative recommendations are in the nature of governance enhancing principles for enhanced consumer protection, greater transparency in the functioning of financial sector regulators in terms of their reporting system, greater clarity on their interface with the regulated entities and greater transparency in the regulation making process by means of mandatory public consultation, incorporation of cost benefit analysis and so on.

Details of the recommendations of the Commission are contained in two Volumes of the FSLRC Report which is available in public domain in the official website of the Ministry of Finance at <http://www.finmin.nic.in/index.asp>.

(c) Government broadly agrees with the non-legislative recommendations of the FSLRC and has requested the financial sector regulators to voluntarily adopt these recommendations.

(d) Other recommendations need wide stakeholder consultation and no time line has been decided.

(e) It is intended that the financial sector will be on stronger legal foundations and remains well-regulated, efficient and internationally competitive.