

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RESOLUTION

New Delhi, the 24 March, 2011

No. 18/1/2011-RE. The Government in its Budget 2010-11 had, inter alia, announced the setting up of a Financial Sector Legislative Reforms Commission (FSLRC) with a view to rewriting and cleaning up the financial sector laws to bring them in tune with current requirements. Accordingly, it has been decided to constitute the Financial Sector Legislative Reforms Commission comprising of the following:

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| i) | Chairman | Justice (Retd.) B.N.Srikrishna |
| ii) | Member | Justice (Retd.) Debi Prasad Pal |
| iii) | Member | Dr. P.J. Nayak |
| iv) | Member | Smt. K.J. Udeshi |
| v) | Member | Shri Yezdi H.Malegam |
| vi) | Member | Prof. Jayant Varma |
| vii) | Member | Prof. M. Govinda Rao |
| viii) | Member | Shri C. Achuthan |
| ix) | Member Convenor | Shri Dharendra Swarup |
| x) | Member, Nominee | Joint Secretary (Capital Markets) |

Shri C.K.G. Nair will be the Secretary to the Commission

2. The Terms of Reference of the Commission will be as follows:-

- I. Examining the architecture of the legislative and regulatory system governing the financial sector in India, including:

- a. Review of existing legislation including the RBI Act, the SEBI Act, the IRDA Act, the PFRDA Act, FCRA, SCRA, FEMA etc., which govern the financial sector;
- b. Review of administration of such legislation, including internal structures and external structures (departments and ministries of government), if required;
- c. Review of inter-play of jurisdictions occupied by various regulators;
- d. Review of jurisdiction of departments within each regulator, and consider need for segregation / combination, and such other streamlining;
- e. Review of issues relating to conflict of interest of regulators in the market;
- f. Review of the manner in which subordinate legislation is drafted and implemented;
- g. Review of eligibility criteria for senior officers in regulatory authorities and issues relating to tenure, continuity, and means of tapping and retaining lessons learnt by each authority.
- h. Examine a combined appellate oversight over all issues concerning users of financial sector legislation.

II. Examine if legislation should mandate statement of principles of legislative intent behind every piece of subordinate legislation in order to make the purposive intent of the legislation clear and transparent to users of the law and to the courts.

III. Examine if public feedback for draft subordinate legislation should be made mandatory, with exception for emergency measures.

IV. Examine prescription of parameters for invocation of emergency powers where regulatory action may be taken on an *ex parte* basis.

- V. Examine the interplay of exchange controls under FEMA and FDI Policy with other regulatory regimes within the financial sector.
- VI. Examine the most appropriate means of oversight over regulators and their autonomy from government.
- VII. Examine the need for re-statement of the law and immediate repeal of any out-dated legislation on the basis of judicial decisions and policy shifts in the last two decades of the financial sector post-liberalisation.
- VIII. Examination of issues of data privacy and protection of consumer of financial services in the Indian market.
- IX. Examination of legislation relating to the role of information technology in the delivery of financial services in India, and their effectiveness.
- X. Examination of all recommendations already made by various expert committees set up by the government and by regulators and to implement measures that can be easily accepted.
- XI. Examine the role of state governments and legislatures in ensuring a smooth inter-state financial services infrastructure in India.
- XII. Examination of any other related issues.
3. The Commission will devise its own procedure and may appoint consultants, advisors and experts and outsource research work to institutions of repute and expertise in the relevant area for the purpose for which the Commission has been set up. It may call for such information and take such evidence as it may consider necessary. Ministries and Departments of the Government of India will furnish such information and documents and other assistance as may be required by the Commission. The Government of India trusts that State Governments and others concerned will extend to the Commission their fullest cooperation and assistance.

4. The Commission will have its headquarters in Delhi.
5. The Commission will make its recommendations within 24 months of the date of this Gazette Notification. It may consider, if necessary, sending reports on any of the matters as and when the recommendations are finalised.

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Ordered that the Resolution be published in the Gazette of India.

Ordered also that a copy of the Resolution be communicated to the Ministries/Departments of the Government of India, State Governments/Administrations of Union Territories and all others concerned.



(R. Gopalan)

Secretary to the Government of India