

# Standing Committee Report Summary

## The Securities and Exchange Board of India (Amendment) Bill, 2009

- The Standing committee on Finance (Chairperson: Dr Murlu Manohar Joshi) tabled its 10<sup>th</sup> Report on ‘The Securities and Exchange Board of India (Amendment) Bill, 2009’ on April 19, 2010. The Bill was introduced in the Lok Sabha on August 3, 2009.
- The Bill seeks to increase the upper age limit of the members of the Securities Appellate Tribunal (SAT) from 62 years to 65 years to ensure speedy disposal of cases. However, the Committee feels that the Bill is not appropriate because it has been brought in a piece-meal manner and these issues can be addressed through other proposed legislations. They are: The Tribunals, Statutory and other Authorities (Conditions of Service) Amendment Bill, which also increases the retirement age of members of Tribunals and statutory authorities (including SAT) and a comprehensive legislation to strengthen the role of the Securities and Exchange Board of India (SEBI) in capital market regulation.
- The Committee is of the opinion that beside the short tenure of the members, there are other issues that hamper efficient functioning of SAT. For example, the Ministry of Finance has taken a long time to select members of SAT because of which members were left with a short term in office. The Committee would like a detailed report on the reasons for undue delay in the selection process which stalled the working of SAT for lack of quorum.
- The Committee recommends that apart from the induction age of members, the Bill needs to address the question of timely completion of the selection process and widening the arena of choice other than retired civil servants for selecting the members.
- The Committee suggests that it may be better to have a fixed tenure of five years for SAT members rather than increase the age-limit to give preference to civil servants.
- The Committee recommends that that the provision that allow parallel proceedings to be initiated by the SEBI Board and the investigating officer concerned under the same set of facts should be rectified.
- The Committee recommends that the eligibility criteria as well as the process of selection of members of the High Powered Advisory Committee be streamlined.

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