

Info Capsule

CLARIFICATION TO CIRCULAR ON PREVENTION OF UNAUTHORIZED TRADING BY STOCK BROKERS¹

1. SEBI vide circular no. CIR/HO/MIRSD/MIRSD2/CIR/P/2017/108 dated September 26, 2017 has inter-alia specified that brokers shall execute trades of clients only after keeping evidence of the client placing such order. Further, SEBI has made it mandatory to use telephone recording system to record client instructions and maintain telephone recordings wherever the order instructions are received from clients through the telephone.
2. Subsequently, SEBI has received representations from stock brokers and their associations expressing operational difficulties caused to stock brokers. Accordingly, in view of operational difficulties faced by stock brokers, it has been decided as under.
 - I. Brokers are required to maintain the records specified at para III of aforementioned circular for a minimum period for which the arbitration accepts investor complaints as notified from time to time, currently three years. However in cases where dispute has been raised, such records shall be kept till final resolution of the dispute.
 - II. If SEBI desires that specific records be preserved then such records shall be kept till further intimation by SEBI.
 - III. The above mentioned SEBI circular also prescribes that 'when dispute arises, the burden of proof will be on the broker to produce the above records for the disputed trades'. However for exceptional cases such as technical failure etc. where broker fails to produce order placing evidences, the broker shall justify with reasons for the same and depending upon merit of the same, other appropriate evidences like post trade confirmation by client, receipt/payment of funds/securities by client in respect of disputed trade, etc. shall also be considered.
3. The Stock Exchanges are directed to:
 - a. Bring the provisions of this circular to the notice of the Stock Brokers and also disseminate the same on their websites.
 - b. Make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above directions.
 - c. Communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports.

¹ Available at: http://www.sebi.gov.in/legal/circulars/nov-2017/clarification-to-circular-on-prevention-of-unauthorised-trading-by-stock-brokers_36775.html

4. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

FM: ASK THE OFFICERS OF THE DIRECTORATE OF REVENUE INTELLIGENCE (DRI) TO KEEP PACE WITH TECHNOLOGY AND USE THE LATEST TECHNOLOGICAL TOOLS SUCH AS DATA ANALYTICS IN FIGHTING THE MENACE OF SMUGGLING OF SENSITIVE CONTRABAND ITEMS SUCH AS GOLD AND NARCOTICS AMONG OTHERS²

DRI Celebrates its Diamond Jubilee on its 60th Foundation Day in the National Capital

The Union Minister of Finance and Corporate Affairs, Shri Arun Jaitley exhorted the officers of the Directorate of Revenue Intelligence (DRI), the premier anti-smuggling intelligence and investigation agency of the country, to keep pace with technology and realign itself to the ever changing economic scenario in order to counter and curb the menace of circulation of Fake Indian Currency Notes (FICN), illicit international trade of wildlife and environmentally sensitive items, clandestine export of antiques and trade-based money laundering offences among others. The Finance Minister Shri Jaitley was addressing the august gathering including senior officers and staff of DRI among others at a function organised to mark the DRI Diamond Jubilee and DRI Foundation Day Celebrations 2017 in New Delhi on December 4, 2017.

The Finance Minister Shri Jaitley asked the officers to find new and innovative techniques to thwart the new ways of smuggling of sensitive contraband items such as gold and narcotics, and detecting import-export related commercial frauds. He asked them to continue to exhibit the passion and dedication in the light of threat of increased smuggling across the borders and multifarious means of commercial frauds presenting a challenge to DRI, and especially to use the latest technological tools such as data analytics in fighting this challenge successfully.

Earlier, the Union Minister of Finance and Corporate Affairs, Shri Arun Jaitley congratulated the DRI, its officers and staff on their past performance. He also appreciated the inaugural issue of DRI Publication 'Smuggling in India Report' released on the occasion and lauded the idea of presenting DRI Martyr's Medals, done for the first time.

Over the years, as an organisation, the DRI has carved a niche for itself in the field of investigation and law enforcement, adapting and realigning itself to the ever changing economic scenario. DRI occupies a position of eminence in matters of national security and economic health, playing key role in the Government's efforts against black money, and in protection of environment and preservation of India's rich and ancient cultural heritage.

This year the organisation completed 60 years (Diamond jubilee) of its establishment. A function to commemorate the occasion was organised in the national capital. The Finance Minister Shri Jaitley was the Chief Guest of the event and the Minister of State (Finance) Shri Shiv Pratap Shukla was the Guest of Honour. Dr. Hasmukh Adhia, Finance Secretary and Ms. Vanaja N Sarna, Chairperson, CBEC were also present among others on the occasion.

² Available at: <http://pib.gov.in/newsite/erelease.aspx>

FIRST MEETING OF THE FIFTEENTH FINANCE COMMISSION HELD UNDER THE CHAIRMANSHIP OF SHRI N.K.SINGH TO HOLD WIDE-RANGING CONSULTATIONS WITH ALL STAKE HOLDERS INCLUDING VARIOUS MINISTRIES OF THE UNION GOVERNMENT, ALL STATE GOVERNMENTS, LOCAL BODIES, PANCHAYATS AND POLITICAL PARTIES OF EACH STATE GOVERNMENT³

The Fifteenth Finance Commission, constituted on November 27, 2017, held its first meeting on December 4, 2017 at North Block in New Delhi. The Meeting was held under the Chairmanship of Shri N.K. Singh and was attended by all the other Members of the Commission i.e. Shri Shaktikanta Das and Dr. Anoop Singh, as well as the part time Members Dr. Ashok Lahiri and Dr. Ramesh Chand.

The Commission held preliminary discussions on the Terms of Reference for the Fifteenth Finance Commission as per the Order made by the President of India and notified by the Ministry of Finance on November 27, 2017.

The Commission was cognisant that it has been assigned wide-ranging Terms of Reference which needed to be suitably addressed. Towards this objective, it was felt that wide-ranging consultations with all stake holders including various Ministries of the Union Government, all State Governments, Local Bodies, Panchayats and Political parties of each State Government needed to be expeditiously initiated.

The Commission recognised that there was also need to undertake analytical papers, analysis from leading research organisations within the country and elsewhere to suitably address the Terms of Reference.

The Commission was keen to seek academic inputs and inter-actions with leading Think Tanks and domain knowledge experts which would assist the Commission in its work.

The Commission approved the setting-up of its office at Jawahar Vyapar Bhawan on Janpath in New Delhi.

Team ICSI

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