

Srikrishna to address industry concerns about Indian Financial Code on ICSI platform

Ashish Sinha

New Delhi, April 22: In order to bring in more clarity on the proposed Indian Financial Code (IFC) recommended by the Financial Sector Legislative Reforms Commission (FSLRC), the stakeholders, including the insurance regulator, have demanded further consultations and debate.

Responding to the industry request, now the Institute of Company Secretaries of India (ICSI) has taken it upon itself to organise nationwide debate and roadshows on IFC in which FSLRC head Justice (ret'd) BN Srikrishna will provide clarity on some of the issues raised by the stakeholders.

The next debate will be in Mumbai later this week, said ICSI president SN Anantha Subramanian.

The FSLRC in its recommendations has batted for a new unified agency for the financial sector after merging the existing regulators



Justice (ret'd) BN Srikrishna

— Securities and Exchange Board of India, the Forward Markets Commission, Insurance Regulatory and Development Authority and the Pension Fund Regulatory and Development Authority. Also, if the government were to accept the commission's report in entirety, it may lead to repeal of several crucial legislation such as the Sebi Act, IRDA Act and LIC Act.

Subramanian said that ICSI has chosen to associate with the FSLRC committee. "It is first of a kind initiative by the ICSI. More debates in other cities are on the

anvil," Subramanian said.

Taking part in the first discussion held in Hyderabad on Saturday, TS Vijayan, chairman, Irda, said last week that more consultation and debate are mandatory to remove any ambiguity in the recommendations of the FSLRC, such as principle-based regulation and modalities on capital flows. Vijayan said that if the financial code comes into force, Hyderabad will lose its only regulator and Irda would not be there. Vijayan recently took over as Irda chief.

CKG Nair, secretary, FSLRC and economic advisor, department of economic affairs, said at the event that there must be a systematic approach and one must build a strong principle-agent relationship to increase investor confidence. "The FSLRC's report is not meant for today's India, it is for tomorrow's, as the economy is expected to touch \$15 trillion by 2030 from the current \$2 trillion," said Nair.