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PRESS RELEASE

CHIEF OF BUREAU

ICSI National Seminar on “Indian Financial Code’ recommended by the Financial Sector Legislative Reforms Commission

ICSI National Seminar on “Indian Financial Code’ recommended by the Financial Sector Legislative Reforms Commission was Inaugurated by Hon’ble Union Finance Minister Shri P Chidambaram at New Delhi, today.



ICSI National Seminar on “Indian Financial Code” Recommended by the Financial Sector Legislative Reforms Commission
Sitting on the Dias (From L to R): **CS M. S. Sahoo**, Secretary, ICSI; **Dr. K. P. Krishnan**, Principal Secretary, Govt. of Karnataka;
Shri P. Chidambaram, Hon’ble Finance Minister, Govt. of India;
CS S. N. Ananthasubramanian, President, Council of the ICSI; **Ms. Chitra Ramakrishna**, MD & CEO, National Stock Exchange of India Ltd.; **CS Harish K. Vaid**, Vice-President, Council of the ICSI.

Honourable Finance Minister Shri P Chidambaram in his first Public Address on Financial Sector Legislative Reforms Commission at the National Seminar organized by the Institute of Company Secretaries of India (ICSI) spoke briefly about the set of rules regulations, acts that have been passed in the last 80 years. He said that these legislations were being enacted in piece meal and has left lapses and gaps between regulators, legal systems and conflict in policies. Further he said that the current legislative framework addresses only temporary pressure and does not address critical key issues. He further said that there is multiplicity of laws, institutions and regulators that create ambiguity. He highlighted the challenges viz legislative change, capacity building, handling complexity of transition from present to the proposed Code etc. He further said that careful analysis of existing legislations in bringing legislative reforms for the financial sector is required.

Hon’ble Finance Minister further said that the financial code advocates a non-sectoral and principle based approach. He referred to the nine basic components for financial sector reforms referred by the Commission viz Consumer Protection, Micro-prudential Regulation, Resolution, Capital Controls, Systemic Risk, Development and re-distribution, monetary policy, public debt management and foundations of contracts and property.



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Shri P. Chidambaram, Hon'ble Finance Minister, Govt. of India addressing the Delegates;

(also seen on the Dias - From L to R): CS M. S. Sahoo, Secretary, ICSI; **Dr. K. P. Krishnan**, Principal Secretary, Govt. of Karnataka;

CS S. N. Ananthasubramanian, President, Council of the ICSI;

Ms. Chitra Ramakrishna, MD & CEO, National Stock Exchange of India Ltd.; **CS Harish K. Vaid**, Vice-President, Council of the ICSI.

Dr. K P Krishnan, Principal Secretary, Government of Karnataka in his Address on the overview of Indian Financial Code briefed about the series of financial sector reforms since 1992. He said that there is an internally consistent and complete approach to financial sector legislative reforms since mid 2000 and said that laws needed to be changed contemporaneously and as a whole. He further said that FSLRC will meet the financial sector requirement of 2050. He also briefed about nine components of the code and said this code would remove the vague objectives and vague powers and establish accountability mechanism. He further said that quasi judicial functions should be in a separate hierarchy.

Ms. Chitra Ramakrishna, Managing Director and CEO, National Stock Exchange Limited in her Address complimented the FLSRC for the clear, concise and comprehensive set of recommendations. She said that the first steps in financial sector legislative reforms were enabled with the SEBI Act and in the last two decades, markets have progressed to global standards. Explaining the relevance of FSLRC she said that whenever big changes were required it was inevitable to change laws and many new areas of global relevance which have emerged in the last two decades needed to be reflected in the legal framework. She identified some of the issues which needed to be focussed for implementing the report; for institutional transformation technology needed to be leveraged which can avoid duplication of cost and efforts. Further she said that the spirit of what is stated in the code can be achieved only if sub-ordinate and sectoral regulations stay in course with the code. She also emphasized on the need for training and capacity building, to create a cadre to deal with the new paradigm.

CS S. N. Ananthasubramanian, President, Council of the ICSI in his Welcome Address said that market governance fosters corporate governance in even manner and provides building blocks to facilitate dialogue and new ideas to emerge.

CS Harish K. Vaid, Vice President, Council of the ICSI Proposed Vote of Thanks.

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