

UPSC Civil Services Examination

UPSC Notes [GS-III]

Topic: Securities And Exchange Board Of India (SEBI)

The Securities and Exchange Board of India owned by the Government of India was established on 12th April, 1992 under the Securities and Exchange Board of India Act, 1992 to protect the interests of the investors in securities along with promoting and regulating the securities market. Headquartered in Mumbai, the Securities and Exchange Board of India (SEBI) has four regional offices located in Ahmedabad, Chennai, Delhi and Kolkata. SEBI was initially formed in the year 1988 as a non-statutory body for the regulation of securities market and later acquired statutory status on 30th January, 1992. To know more about SEBI, refer to the table given below:

SEBI	
SEBI full form	Securities And Exchange Board of India
Year of formation	1988
Headquarters	Mumbai, Maharashtra
SEBI Chairman	Ajay Tyagi
SEBI official website	http://www.sebi.gov.in/

Securities and Exchange Board of India is an autonomous organization works under overall administrative supervision of Union Finance Ministry and is accountable to the Parliament. It is an important topic for the [IAS Exam](#).

Formation of SEBI



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

Securities and Exchange Board of India (SEBI) was first established as a non-statutory body in the year 1988 for regulation of the securities market. It acquired the statutory powers on 30th January 1992 in accordance with the SEBI Act 1992. SEBI became an autonomous body on 12 April 1992 and was soon constituted as the regulator of capital markets under the Government of India. The headquarters of Security and Exchange Board of India is located in Mumbai, Maharashtra and has four regional offices in New Delhi, Kolkata, Chennai and Ahmedabad. During the Financial Year 2013-2014, SEBI opened several local offices in the cities namely- Jaipur, Bangalore, Guwahati, Bhubaneshwar, Patna, Kochi and Chandigarh.

Structural Organisation of SEBI

SEBI is an autonomous organization that works under the administration of Union Finance Ministry.

The Security and Exchange Board of India (SEBI) is managed by the following members:

1. The chairman nominated by the Union Government of India.
2. Two members, i.e., Officers from Union Finance Ministry.
3. One member from the Reserve Bank of India.
4. The remaining five members who are nominated by the Union Government of India. Three of the five members should be a whole-time members.

Ajay Tyagi is the current SEBI Chairman who was appointed to take charge of the chairman office on 10 February 2017 by replacing U K Sinha.

SEBI Functions & Powers

The scope of SEBI's activities is rather wide. It is empowered to frame rules, regulations, guidelines and direction etc. in respect of both primary and secondary securities markets. Intermediaries and certain financial institutions operating in securities markets are also subjected to SEBI's directions and norms. SEBI has the power to regulate the following branches:

- depositories, participants and custodians
- debenture trustees and trust deeds
- insider trading, FII's merchant bankers and mutual funds
- portfolio managers, investment advisors, registrars to capital issues and share transfer agents
- stock broker, sub-brokers, underwriters, bankers to the issues and venture capital funds and
- substantial acquisition of shares and takeovers.

It also issues guidelines for disclosure of information and operational transparency for investor protection, pricing of issues, bonus and preferential issues and other financial instruments.

According to the Preamble of SEBI, one of the major functions of Security and Exchange Board of India is to protect the interests of investors in securities along with promoting the development and regulation of the securities market.

SEBI is also responsible for the needs of the following three groups which constitute the securities market:

- issuers of securities
- investors
- market intermediaries