

Securities and Exchange Board of India (SEBI) - UPSC Notes

Securities and Exchange Board of India is an autonomous organization that works under overall administrative supervision of the Union Finance Ministry and is accountable to the Parliament. It is an important topic for the IAS Exam. This article will talk about the functions and structural organisation of SEBI. Candidates can also download the notes PDF at the end of this article.

Overview of the 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 the 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	Ms. Madhabi Puri Buch
Sector	Securities Market

Formation of SEBI

The Securities and Exchange Board of India (SEBI) was first established as a non-statutory body in 1988 for the 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 the 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 the Union Finance Ministry. The Security and Exchange Board of India (SEBI) is managed by the following members:

1. The chairman was nominated by the Union Government of India.

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

Ms Madhabi Puri Buch is the current SEBI Chairman who was appointed to take charge of the chairman's office on 02 March 2022, by replacing the former chairman Ajay Tyagi.

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
- Stockbroker, 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 the 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

Candidates preparing for UPSC 2021 should also keep a track of the latest current affairs to know about any new developments in the country.