



# *Regulation of Financial Sector*

- Industry
- Players
- Objective
- Inherent weaknesses
- Responses - generally
- Who
- How - specifically
- Judicial oversight and review
- Current issues and thoughts

Insurance

Comple

# Industry

Deposit/Loans

(Banking and non-banking)

Investment/Pensions

(securities)

Insurance

## New areas

Collective investment schemes

Derivatives

Peer to Peer

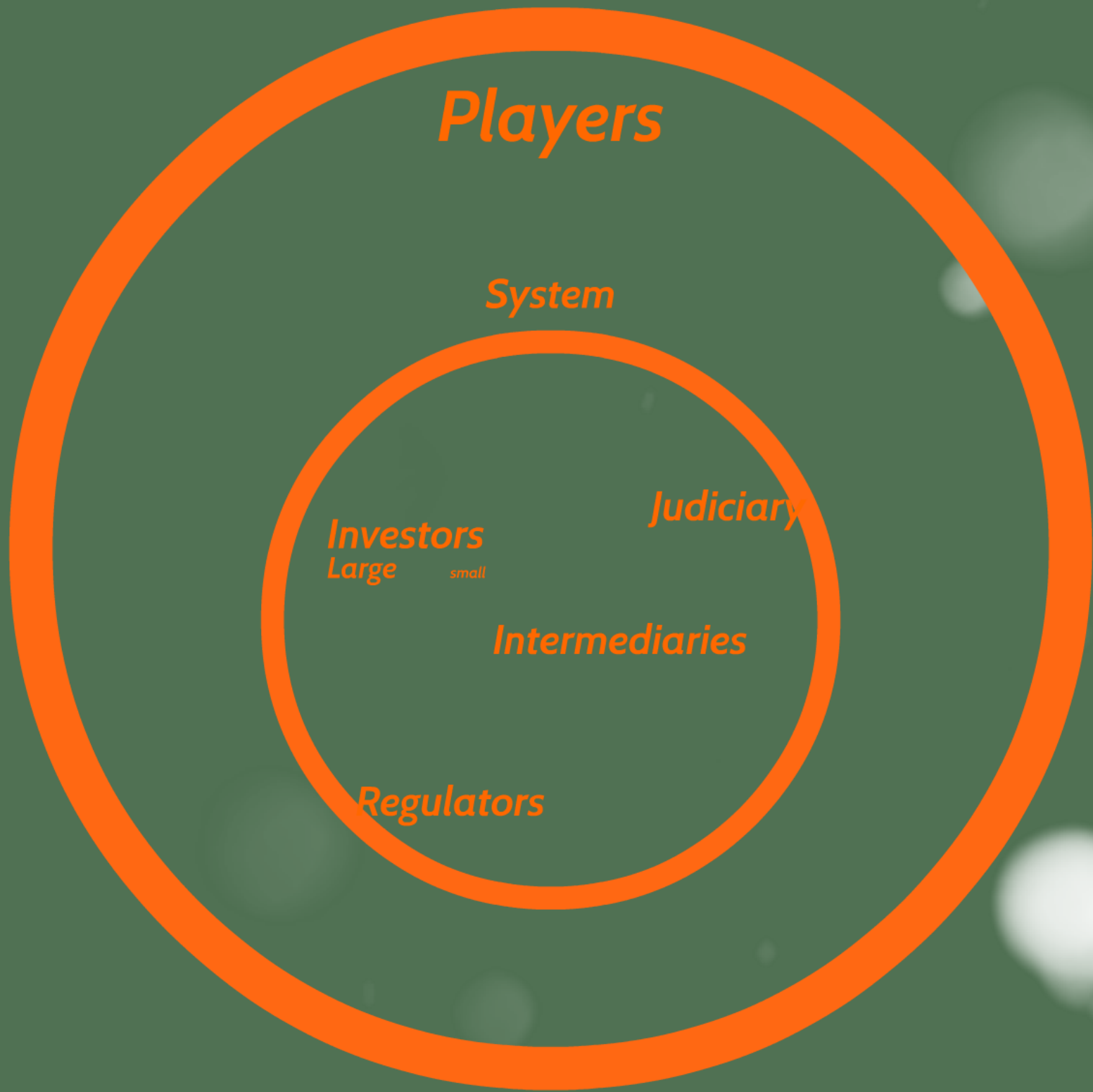


## *New areas*

Collective investment schemes

Derivatives

Peer to Peer



*Players*

*System*

*Investors*  
*Large*   *small*

*Judiciary*

*Intermediaries*

*Regulators*



*Investors*  
*Large*      *small*

*Judiciary*

*Intermediaries*

*Regulators*



# *Objectives*

*Protection of deposit - leverage*

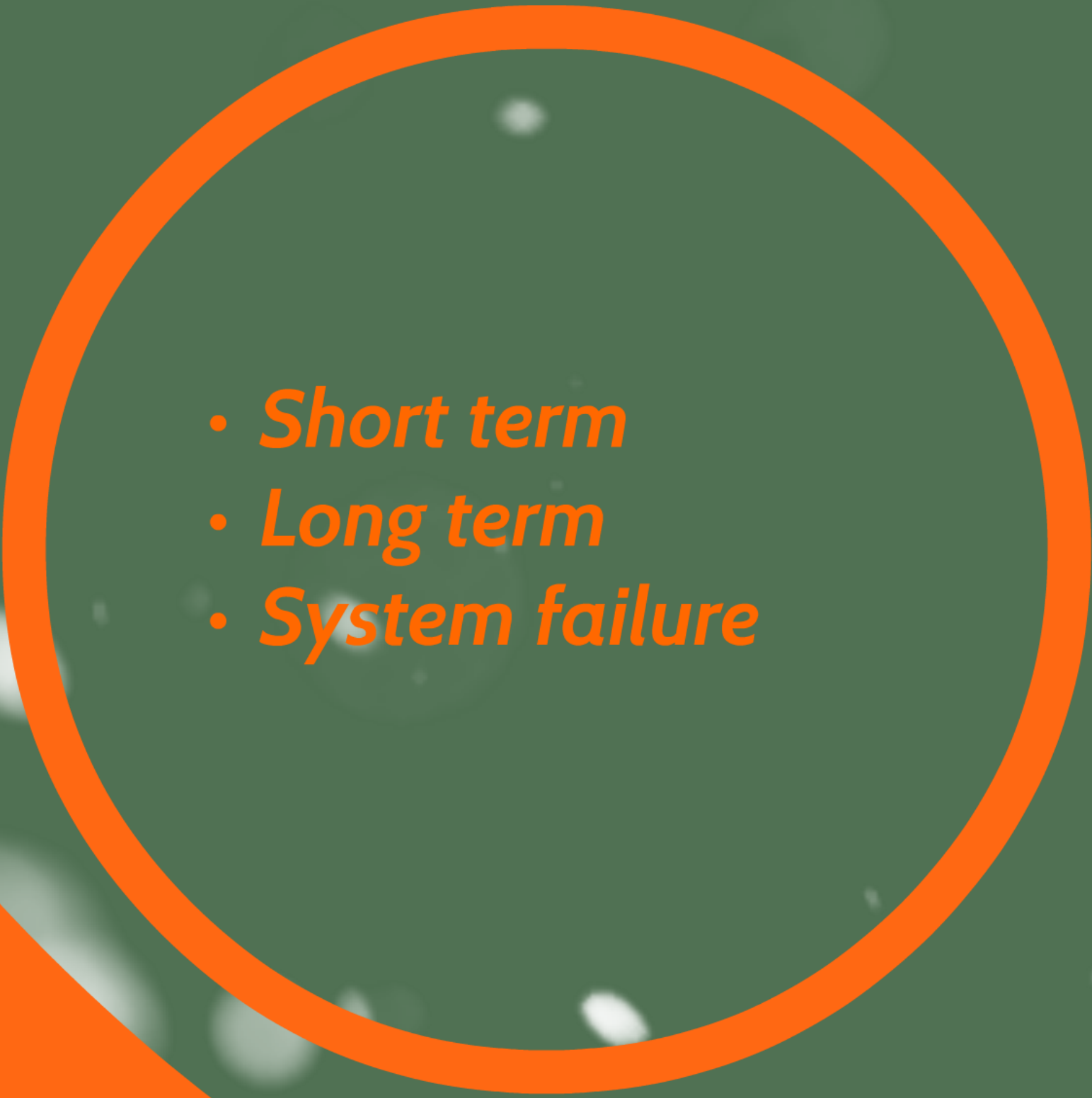
*Regulation of  
intermediaries*

*Systemic failure*

*Enforcement*

- *Short term*
- *Long term*
- *System failure*



- 
- *Short term*
  - *Long term*
  - *System failure*

# *Weaknesses*

## *External*

- *Global forces*
- *Economy*

## *Coordination*

*Gaps      Overlaps*

## *Asset liability*

## *Complexity of products*

## *Enforcement*

## *Weakness in laws*



*Answers*

*Addressing failure*

*Fiduciary duties*

*Enforcement*

*Disclosure*

*Gatekeeper  
liability*

*Complaint  
redressal*

# *Regulators*

*RBI*

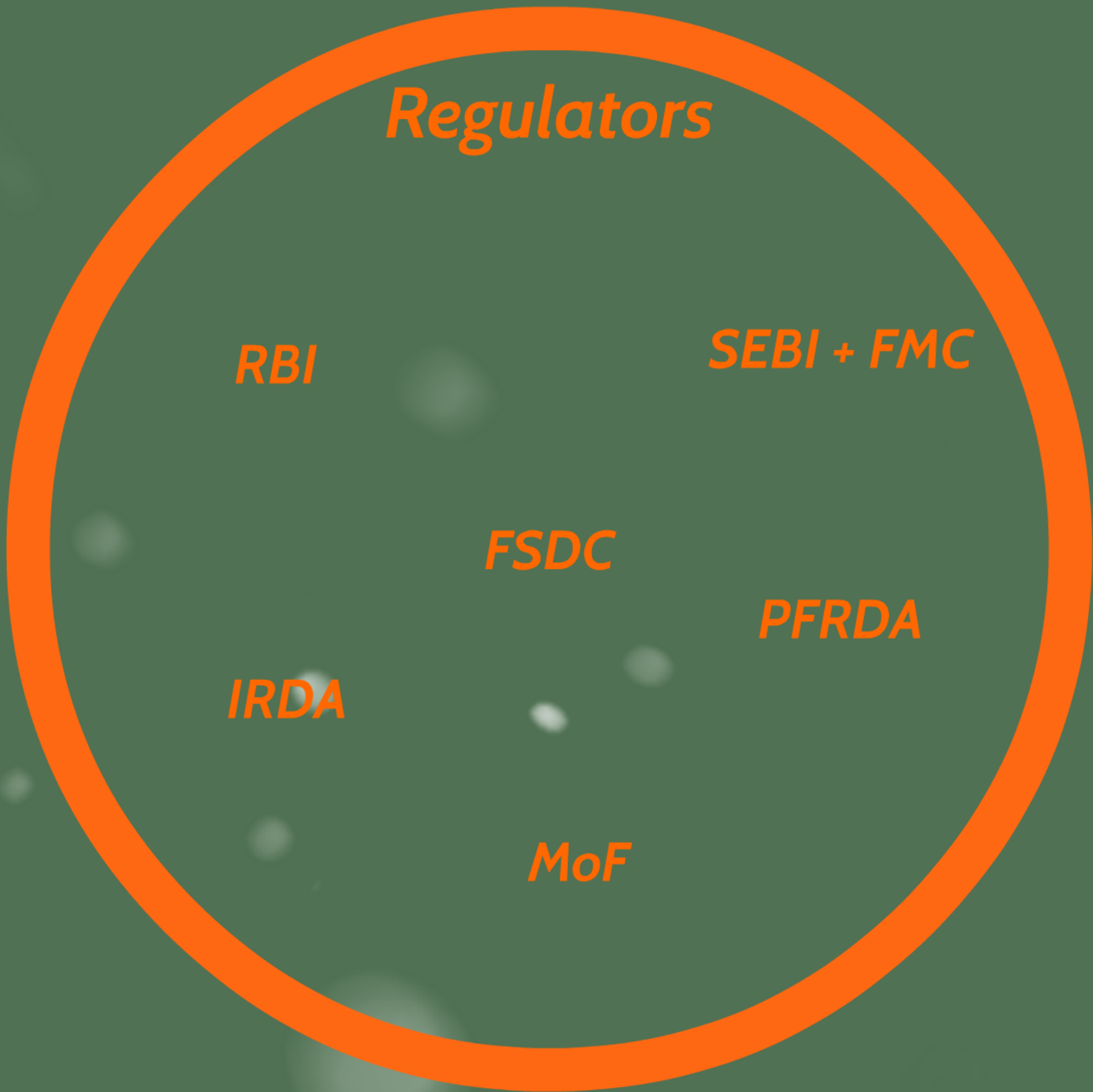
*SEBI + FMC*

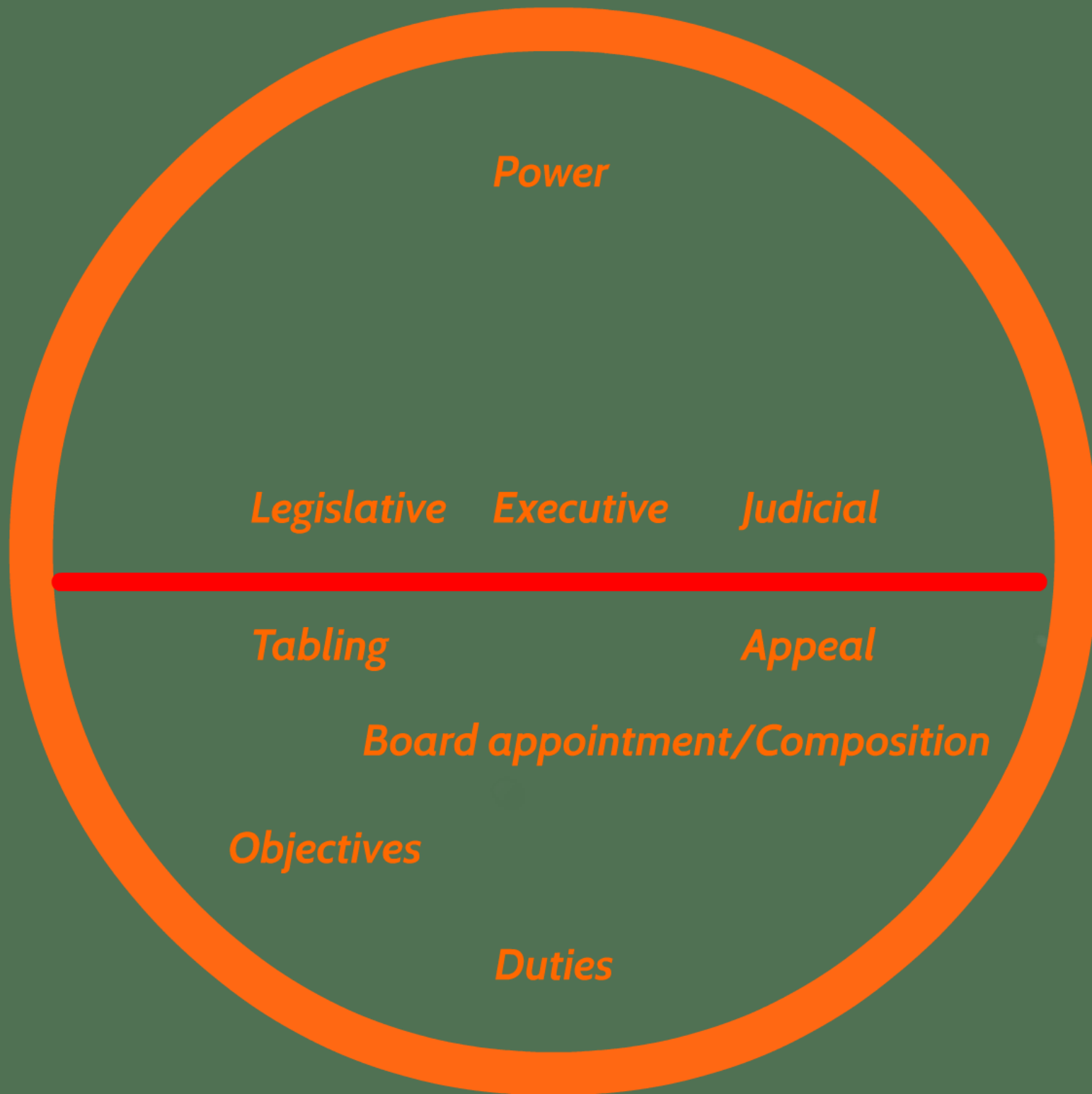
*FSDC*

*PFRDA*

*IRDA*

*MoF*





*Power*

*Legislative*

*Executive*

*Judicial*

*Tabling*

*Appeal*

*Board appointment/Composition*

*Objectives*

*Duties*

*Power*

The diagram features a large orange arc at the top. Below it, the word "Power" is centered. A horizontal red line spans the width of the diagram. Below this line, the words "Legislative", "Executive", and "Judicial" are spaced out. At the bottom, "Tabling" is positioned under "Legislative" and "Appeal" is positioned under "Judicial".

*Legislative*

*Executive*

*Judicial*

*Tabling*

*Appeal*

*Legislative*

*Executive*

*Judicial*

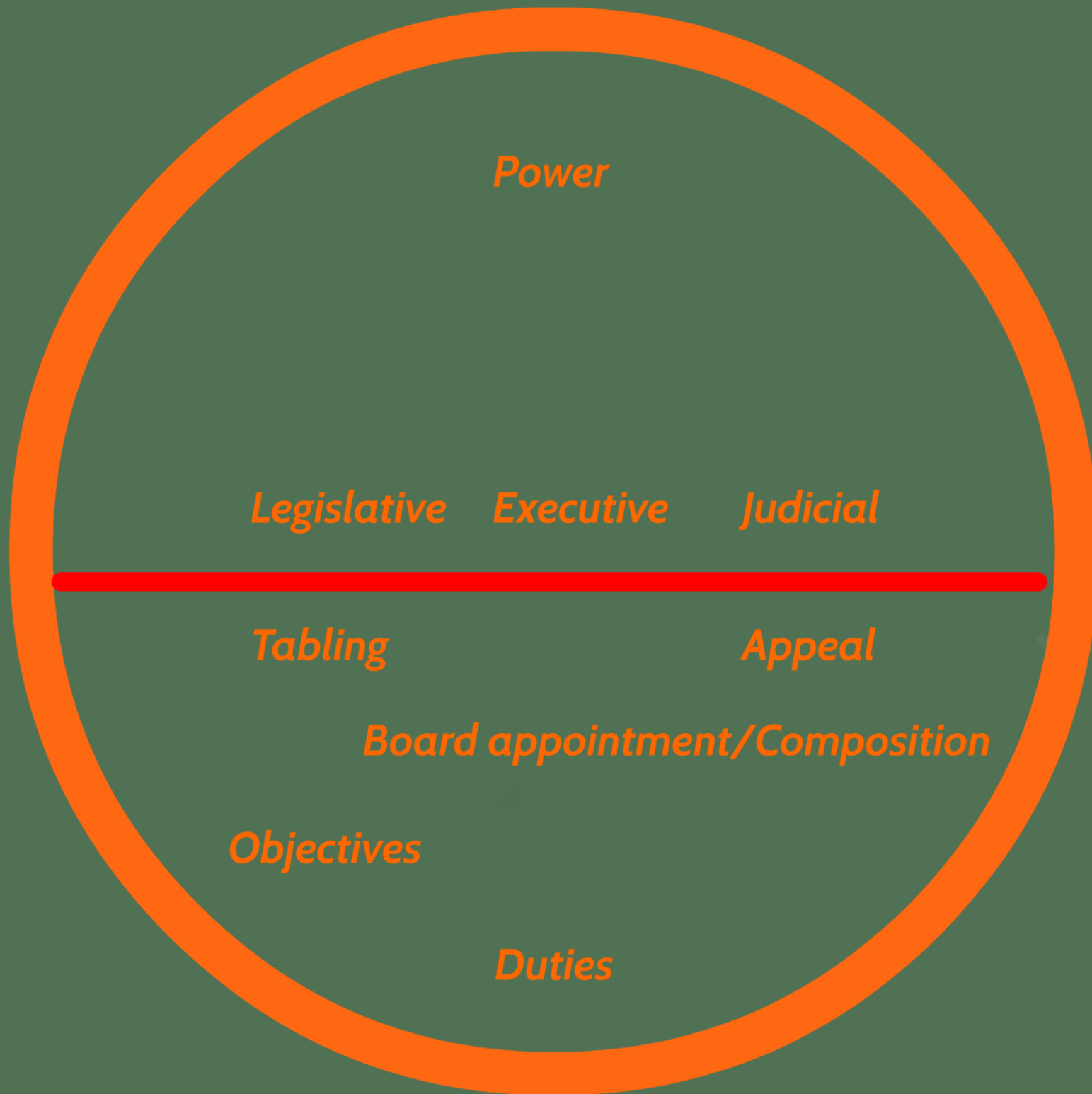
*Tabling*

*Appeal*

*Board appointment/Composition*

*Objectives*

*Duties*



*Power*

*Legislative*

*Executive*

*Judicial*

*Tabling*

*Appeal*

*Board appointment/Composition*

*Objectives*

*Duties*



*Legislative*

*Executive*

*Judicial*

*Tabling*

*Appeal*

*Board appointment/Compos*

*Judicial review*

*No appeal ag. silence*

*Specialised SAT*

# Important issues

*Global v. local regs*

*Universal bank v. Silos*

*BCD markets*

*Self regulation*

*State Ownership*

*On exchange v. Off*

*Capital ratio for banks*

*democratisation v. risk*

