

# **Regulatory Regime Purposes, Achievements and Problem Areas**

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- What is Regulator?
- Subsystem or independent device that determines and maintains the operating parameters of a system, usually within certain prescribed or preset limits.

- Regulatory Role of Government Stems from the Provisions of the Constitution
  
- Article 53, Constitution of India
  - 53. Executive power of the Union
  
  - (1) The executive power of the Union shall be vested in the President and shall be exercised by him either directly or through officers subordinate to him in accordance with this Constitution
  
  - (3) Nothing in this article shall
    - (a) be deemed to transfer to the President any functions conferred by any existing law on the Government of any State or other authority; or
    - (b) prevent Parliament from conferring by law functions on authorities other than the President

# Why we need Regulators

- Prevention of Market Failure
- To Check Anti Competitive Practices
- To Protect and Promote Public Interest

# Evolution of Regulation in India

- India Experimented with a “Socialist Mixed Economy Model”
- From 1991 Onwards, Liberalisation Extended to Almost the Entire Spectrum of Merchandise Trade
- Independent Regulation is Required to Guarantee a Level Playing Field

# Categories of Regulators

- There are primarily two types of regulatory authorities-

1. Statutory Regulatory Authorities

2. Non-Statutory Regulatory Authorities

# There are more than 30 Regulatory Authorities.

## Some of the Authorities are as under

- **Telecom Regulatory Authority of India Ministry of Communications & IT, D/o Telecommunications The Telecom Regulatory Authority of India Act, 1997.**
  - To make measures to facilitate competition and promote efficiency in the operation of telecommunication services so as to facilitate growth in such services and to lay down the standards of quality of service to be provided by the service providers.
- **The Competition Commission of India M/o Company Affairs.**
  - The Competition Act, 2002 .To prevent practices having adverse effect on competition; to promote and sustain competition in the market; to protect the interest of consumers and to ensure freedom of trade.
- **Securities & Exchange Board of India M/o Finance D/o Economic Affairs**
  - Securities and Exchange Board of India Act, 1992 To protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit.

- **Insurance Regulatory and Development Authority M/o Finance**
  - Insurance Regulatory and Development Authority Act, 1999 To protect of the interests of the policy holders in matters concerning assigning of policy, nomination by policy holders, insurable interest, settlement of insurance claim, etc. and to regulate investment of funds by insurance companies.
- **Medical Council of India M/o Health & Family Welfare**
  - The Council may confer or impose upon it by any regulations such as permission for establishment of new medical college, new course of study etc., non recognition of Medical qualifications in certain cases, recognition of medical qualification granted by Universities or Medical Institutions in India, etc.



- Petroleum and Natural Gas Regulatory Board M/o Petroleum & natural Gas
  - The Petroleum and Natural Gas Regulatory Board Act, 2006 To protect the interest of consumers by fostering fair trade and competition amongst the entities; register entities to, lay down the technical standards and specifications including safety standards in activities relating to petroleum, petroleum products and natural gas, including the construction and operation of pipeline and infrastructure projects related to downstream petroleum and natural gas sector, etc.
- Central Electricity Regulatory Commission M/o Power Electricity Regulatory Commissions Act, 1998
  - To regulate the tariff of generating companies owned or controlled by the Central Government; to regulate the tariff of generating companies, other than those owned or controlled by the Central Government; to regulate the inter-State transmission of energy including tariff of the transmission utilities; to promote competition, efficiency and economy in the activities of the electricity industry, etc.

# Issues related to Regulatory bodies in India

- Independence
- Accountability
- Transparency

# Participation of Stakeholders in the Regulatory Process

- Reason for Having a Representative Regulatory Process is Lack of Consumer participation
- Lack of Coordination Between Regulators and Government Departments Responsible for Formulating and Implementing Investment Related Policies
- Creation of Participation Mechanism by Few Sector Regulators

# Problem Areas

- Non-Availability of Proper Infrastructure
- Appointment Procedure and time Taken
- Overlapping of functions
- Lack of Coordination with Government
- Intervention by Courts
- Lack of Consumer Participation

# Way Forward

- Selection Procedure need to be Streamlined
- Proper Infrastructure to be provided
- Full financial autonomy
- Accountability
- Participation of Private Sector/ NGO's/  
Consumers

**THANK YOU**

# Securities and Exchange Board of India

- SEBI has to be responsive to the needs of three groups, which constitute the market: the issuers of securities; the investors; the market intermediaries
- SEBI has been vested with the following powers
  - To approve by-laws of stock exchanges
  - To require the stock exchange to amend their by- laws
  - Inspect the books of accounts and call for periodical returns from recognized stock exchanges
  - Inspect the books of accounts of financial intermediaries
  - Levy fees and other charges on the intermediaries for performing its functions
  - Prosecute and judge directly the violation of certain provisions of the companies Act

# Insurance Regulatory and Development Authority (IRDA)

- An Autonomous Apex Statutory body to Regulate and Develop Insurance Industry
- Powers and functions-
  - Protection of the interests of the policy holders in matters concerning assigning of policy
  - Promoting efficiency in the conduct of insurance business
  - Adjudication of disputes between insurers and intermediaries or insurance intermediaries
  - Regulating investment of funds by insurance companies



# Competition commission of India

- To Prohibit Anti-Competitive Agreements and Abuse of Dominant Position by Enterprises
- Function and Responsibilities-
  - Ensure Fair and Healthy Competition for Faster and Inclusive Growth and Development of Economy
  - Effectively Carry Out Competition Advocacy Among all Stakeholders
  - Implement Competition Policies

# Telecom Regulatory Authority of India

- Independent Regulator of the Telecommunications Business in India
- Powers and Functions
  - Recommend the Terms and Conditions of License to a Service Provider
  - Ensure Technical Compatibility and Effective Inter-connection Between Different Service Providers
  - Facilitate Competition and Promote Efficiency in the Operation of Telecommunication Services
  - Settle Disputes Between Service Providers