

# CABINET APPROVES THE PROPOSAL OF SECURITIES & EXCHANGE BOARD OF INDIA (SEBI) TO SIGN BILATERAL MEMORANDUM OF UNDERSTANDING BETWEEN INDIA AND LUXEMBOURG

Relevant for: International Relations | Topic: Europe, European Union (EU) and India

The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi has given its approval for the proposal of Securities & Exchange Board of India (SEBI) to sign a bilateral Memorandum of Understanding (MOU) between Securities and Exchange Board of India and Financial and Commission de Surveillance du Secteur Financier (CSSF), Luxembourg.

## Objectives

The MoU is likely to strengthen cross border cooperation in the area of securities regulations and facilitate mutual assistance, contribute towards efficient performance of the supervisory functions aid in imparting technical domain knowledge and enable effective enforcement of the laws and regulations governing the securities markets of India and Luxembourg.

## Major impact:

CSSF, like SEBI, is a co-signatory to International Organization of Securities Commissions' Multilateral MOU (IOSCO MMoU). However, the IOSCO MMoU does not have under its scope the provision for technical assistance. The proposed bilateral MOU would, in addition to contributing towards strengthening the information sharing framework leading to effective enforcement of securities laws, also help in establishing a technical assistance programme. The technical assistance programme would benefit the Authorities by way of consultations on matters relating to capital markets, capacity building activities and training programmes for the staff.

## Background

The Securities and Exchange Board of India (SEBI) was established under the Securities and Exchange Board of India Act, 1992 to regulate the securities markets in India. The objectives of the SEBI are to protect the interest of the investors and to regulate and promote development of securities markets in India. The main functions of SEBI include registration, regulation and supervision of intermediaries operating in the securities market; promoting and regulating self-regulatory organizations; prohibiting fraudulent and unfair trade practices relating to securities markets; and calling from or furnishing to other authorities, whether in India or abroad, such information as may be necessary for the efficient discharge of its functions.

The Commission de Surveillance du Secteur Financier (CSSF) of Luxembourg is a public law entity, with administrative and financial autonomy, established by the law of 23<sup>rd</sup> December 1998. The CSSF is the competent authority for the prudential supervision of the entire Luxembourg financial centre, except for the insurance sector. The CSSF is also legally responsible for the regulation and supervision of the securities market.

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