



OICV-IOSCO

32nd Annual Conference  
9-12 April 2007, Mumbai, India

Opening Ceremony

*Mr. Shri P. Chidambaram*

Finance Minister, India

*11 April 2007*

**32<sup>nd</sup> Annual Conference of International Organisation of  
Securities Commissions**

**Address by**

**Shri P. Chidambaram**

**Finance Minister, India**

**April 11, 2007**

Ms. Jane Diplock – Chair, Executive Committee - IOSCO

Mr. Michel Prada – Chair – IOSCO Technical Committee

Mr. M. Damodaran – Chair of the Emerging Markets Committee – IOSCO

Mr. Phillippe Richard – Secretary General - IOSCO

Ladies and Gentlemen,

I am happy that the Securities and Exchange Board of India has the honour to host the 32<sup>nd</sup> Annual Conference of the International Organisation of Securities Commissions (IOSCO). On behalf of the Government of India, may I extend a warm welcome to the delegates to this conference? May I also congratulate SEBI, and its Chairman, for the excellent arrangements made for the conference?

2. Many years ago, I was advised that, at a dinner, one should speak well but not too wisely and eat wisely but not too well. A conference of capital market regulators is more challenging than a sumptuous dinner. It is the only market that I know that will react to the arch of an eyebrow or a meaningful cough. I wonder if I should speak to you wisely or well or do neither. Nevertheless, I shall do my best.

3. The protection of the interests of the investors and the promotion and development of the securities market are

inseparable twin objectives. These twin objectives are paramount for the securities market regulator; all other objectives are secondary and subordinate to these two. Other stakeholders – while they may be driven by the profit motive – also have the obligation to secure these twin objectives.

4. No securities market is an island. Thanks to global flows of capital, the working of the capital market in a country – especially any precipitous rise or fall – has an effect upon other capital markets in the region as well as elsewhere in the world. Good regulation, therefore, is no longer a mere national 'public good'; it has a global dimension and it must be regarded as a global 'public good'.

### **Securities Market in India**

5. The securities market regulator in India is a relatively young institution. It owes its existence to the Securities and Exchange Board of India Act, 1992. In the course of the last 15 years, SEBI has acquired an enviable reputation as an independent and effective regulator. Several measures have been taken by SEBI to make the securities market in India better regulated, more efficient and generally safer. Regulations have been put in place in respect of intermediaries, trading mechanism, settlement cycles, risk management, derivative trading and takeover of companies, etc. The regulator has put in place a well-designed disclosure-based regulatory regime. Information technology is extensively used in the securities market. The most advanced and scientific risk management systems are also employed by the two leading stock exchanges.

6. The Indian securities market has also many 'firsts' to its credit. It gave birth to the first demutualised stock exchange in the world. All stock exchanges in India, today, are corporatised and

