

Bill No. 62 of 2009

THE SECURITIES AND EXCHANGE BOARD OF INDIA
(AMENDMENT) BILL, 2009

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BILL

further to amend the Securities and Exchange Board of India Act, 1992.

BE it enacted by Parliament in the Sixtieth Year of the Republic of India as follows:—

1. This Act may be called the Securities and Exchange Board of India (Amendment) Act, 2009. Short title.

15 of 1992.

2. In section 15N of the Securities and Exchange Board of India Act, 1992, in the second proviso, for the word “sixty-two”, the word “sixty-five” shall be substituted. Amendment of section 15N.

STATEMENT OF OBJECTS AND REASONS

The Securities Appellate Tribunal was set up under section 15K of the Securities and Exchange Board of India Act, 1992 to adjudicate upon appeals against decisions of the Securities and Exchange Board. The Presiding Officer and Members of the Tribunal hold office for a term of five years and are eligible for re-appointment . The upper age limit for the Presiding Officer and Members is sixty-eight years and sixty-two years respectively.

2. Normally, retiring or retired officers of the level of Additional Secretary or Secretary to the Government of India are the applicants for the post of Members to the Tribunal and they are on the verge of completing or have completed sixty years of age at the time of selection. Thus with the stipulated sixty-two years of age for Tribunal Members, a maximum of two years of service is available for such officers. In addition, the selection process too is time consuming and as a consequence on an average Tribunal Member holds office for about twelve to eighteen months only. As a result the work of Tribunal is suffering. It is therefore proposed to increase the upper age limit of the Members of Tribunal from sixty-two years to sixty-five years by amending section 15N of the Act.

3. The Bill seeks to achieve the above objects.

PRANAB MUKHERJEE.

NEW DELHI;
The 21st July, 2009.

ANNEXURE

THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

(15 OF 1992)

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15N. The Presiding Officer and every other Member of a Securities Appellate Tribunal shall hold office for a term of five years from the date on which he enters upon his office and shall be eligible for re-appointment:

Tenure of office of Presiding Officer and other Members of Securities Appellate Tribunal.

Provided that no person shall hold office as the Presiding Officer of the Securities Appellate Tribunal after he has attained the age of sixty-eight years:

Provided further that no person shall hold office as a Member of the Securities Appellate Tribunal after he has attained the age of sixty-two years.

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further to amend the Securities and Exchange Board of India Act, 1992.

(Shri Pranab Mukherjee, Minister of Finance)