

**Government of India
Ministry of Finance
Department of Economic Affairs
Press Release**

Inviting Comments on the Revised Draft Indian Financial Code

The Financial Sector Legislative Reforms Commission (FSLRC) set up on 24th March 2011, for re-writing the financial sector laws to bring them in harmony with the current requirements, submitted its Report to the Government on March 22, 2013. The Commission *inter alia* recommended a non-sectoral, principle-based legislative architecture for the financial sector, by restructuring existing regulatory agencies and creating new agencies, wherever needed for better governance and accountability.

2. The Commission presented its Report to the Government of India on 22th March 2013. The Report is in two parts: Volume I – titled “Analysis and Recommendations” and Volume II – titled the “Draft Law” consisting of the Draft Indian Financial Code (IFC).

3. The Draft IFC along with the Report of the FSLRC were placed in public domain on the home page of website of the Ministry of Finance on 28th March 2013. Comments on the Draft IFC and the Report were invited from the public at large and all stakeholders through a Press Release on 6th June 2013. Hindi version of the Report was subsequently placed on the Ministry of Finance website in Sept 2013. A dedicated e-mail >feedback-fslrc@nic.in< was created to receive online comments. Further, comments were requested from select Ministries/Departments and Regulatory Authorities. Copies of the report in English and Hindi versions were sent by the Hon’ble Finance Minister to all Members of Parliament in October 2014. Copies of the Report were also sent to all State Governments/Union Territories, and to Universities, Research/Academic Institutions, Bank Associations etc. in India for giving wide publicity and inviting comments.

4. **The Draft IFC has been revised in the light of the comments received and hosted now as Revised Draft IFC on the home page of the Ministry of Finance at >www.finmin.nic.in<.** The modifications mainly relate to: strengthening the regulatory accountability of financial agencies, removing the provision empowering FSAT to review Regulations, rulemaking and operational aspects of capital controls, monetary policy framework and composition of the Monetary Policy Committee (MPC), regulation of systematically important payment system and others, removing the provision of special guidance etc. Further the modifications have taken into consideration the enactments subsequent to the submission of the FSLRC report; namely The Pension Fund Regulatory and Development Authority Act, 2013 (PFRDA Act) and Securities Laws (Amendment) Act, 2014. However, the modifications in the revised Draft IFC remain consistent with the overall structure and philosophy of the FSLRC Report.

5. All stakeholders concerned are requested to forward comments/suggestions that they may wish to submit on the Revised Draft IFC by 8th August 2015 by e-mail to >feedback-fslrc@nic.in< or in hard copy to FSLRC Division, Department of Economic Affairs, Ministry of Finance, Room No 30, North Block, New Delhi-110001.

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**(Dr CKG Nair)
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