

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**SECURITIES LAWS (AMENDMENT) BILL 2014 INTRODUCED IN LOK SABHA;  
MAKES PROVISION FOR EMPOWERING SEBI TO INITIATE ACTION  
AGAINST UNREGULATED DEPOSIT TAKING AND PONZI SCHEMES ; TO  
CALL FOR RELEVANT INFORMATION AND RECORDS FROM ANY PERSON  
AMONG OTHERS**

**New Delhi, August 4, 2014**  
**Shravana 13, 1936**

Securities Laws (Amendment) Bill 2014 has been introduced in Lok Sabha today. Earlier, the Cabinet in its meeting held on 24 July 2014 had given its approval to the Securities Laws (Amendment) Bill 2014 and to introduce it in the current Session of the Parliament.

The Securities Laws (Amendment) Bill 2014 proposes various amendments which inter-alia include empowering Securities Exchange Board of India (SEBI) to call for relevant information and records from any person. There is a provision for disgorgement. The Bill provides that any pooling of funds in any unregistered scheme or arrangement, having corpus of Rs.100 crore or more, shall be deemed to be a collective investment scheme. The Bill provides for express powers for the settlement (compounding); to establish Special Courts; powers of recovery of amounts; and empowering Board to enhance the penalty imposed by an adjudicating officer.

Section 15A–HB of the SEBI Act prescribes penalties to be imposed for various offences. However, these sections only provide one level of penalty with no minimum level or range and without giving any discretion to the Adjudicating Officers. Amendment to these Sections are included in the Securities Laws (Amendment) Bill 2014 by prescribing minimum penalty to be imposed for each violation in the Securities Laws (Amendment) Bill 2014, in addition to the amendments included in the earlier Ordinance.

Earlier, as large number of cases were reported from all over the country of unregulated deposit taking and ponzi schemes, therefore, the Government had promulgated the Securities Laws (Amendment) Ordinance, 2013 on 18th July, 2013 to empower Securities Exchange Board of India (SEBI) to initiate action against such schemes. Subsequently, the Securities Laws (Amendment) Bill 2013 was introduced in the Lok Sabha on the 12th August 2013 to amend the SEBI Act 1992 and corresponding changes under Securities Contracts (Regulation) Act, 1956 and the Depositories Act, 1996. As the First Ordinance would have lapsed, the Securities Laws (Amendment) Second Ordinance, 2013 was promulgated on the 16th September 2013. The second Ordinance ceased to operate on the 16th January, 2014. The Securities Laws (Amendment) Ordinance, 2014 was promulgated on March 28, 2014. The said Ordinance lapsed on July 18, 2014.

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