

# SEBI

September 23, 2020

The Preamble of the Securities and Exchange Board of India describes the basic functions of the Securities and Exchange Board of India as “to **protect the interests of investors** in securities and to promote the development of, and to regulate the securities market and for matters connected therewith or incidental thereto”.

## More About SEBI

- SEBI is a **statutory regulatory body** established by the Government of India to regulate the securities market in India and protect the interests of investors in securities.
- The Securities and Exchange Board of India was **established on April 12, 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992.**
- SEBI has the **power to regulate** and perform functions such as:
  - . check the books of accounts of stock exchanges and call for periodical returns
  - . approve by-laws of stock exchanges
  - . inspect the books of financial intermediaries such as banks
  - . compel certain companies to get listed on one or more stock exchanges
  - . handle the registration of brokers
    - The organization was created to meet the requirements of the following three groups:
  - . **Issuers:** SEBI works towards providing a marketplace to the

investors where they can efficiently and fairly raise their funds

. **Intermediaries:** SEBI works towards providing a professional and competitive market to the intermediaries

. **Investors:** SEBI protects and supplies accurate information to investors

▪ **Functions of SEBI**

. Checks price manipulation

. Bans insider trading

. Promotes fair code of conduct in the security market

. Prohibits unfair and fraudulent trade practices

. Regulates and registers mutual funds as well

. Facilitates training of intermediaries