



President's Message



Message

LAST QUARTER WITNESSED significant policy initiatives and regulatory efforts for the Capital Market to bring investors back to the market by restoring their confidence, and to make market intermediation a hassle-free yet fully compliant activity.

Know Your Client (KYC) documentation was becoming a major irritant for investors, with dozens of signatures and photocopies required, as well as the cost of stamps, yet without addressing the investor's grievances. Therefore, ANMI was contemplating various possibilities which could help both in reducing paperwork and investor's grievances. ANMI suggested a simplified KYC to the Exchanges, SEBI and the Ministry of Finance, wherein instead of an agreement it becomes a sheet of terms and conditions with a single KYC sufficient across all segments, coupled with a solution where trades are confirmed to investors directly by the Exchanges through a validated mobile phone number and/or email. This, in the opinion of ANMI would help in reduction of investor's grievances substantially. After continuous discussions and a series of meetings between the Exchanges and ANMI, SEBI has approved a simplified KYC and a system of sending SMS through Exchanges. This will act as a springboard for the healthier development of the Capital Market.

This, being an initiative of ANMI, is a moment of pride for all of us. We are thankful to SEBI and the Exchanges for their pragmatic and farsighted vision and approach.

Major changes, approved by SEBI, are made regarding disclosures in IPOs. Disclosures would now be more specific, relevant and meaningful for the investors to take a calculated decision.

Another milestone for the Capital Market would be when the suggestions of ANMI relating to a database for client defaults/disputes are accepted by SEBI and get regulatory approval. ANMI is already running a similar pilot project successfully under the name of ABCD (ANMI Bureau of Client Disputes).

A database for all employees of market intermediaries is another area of concern which should be looked into by the Regulator. ANMI, again, has taken the lead by signing an MoU with NDML for National Skill Registry.

ANMI has established productive relationships with many foreign Capital Market Associations. In one of our earlier issues, it was mentioned that ANMI had signed an MoU with the International Capital Market Association (ICMA). The importance of establishing international relations is evident from the standpoint of the huge exposure to international views on development and prudential management of the Capital Market. There is a commonality in the apprehensions of investors across the world. Loss of retail investor confidence in the Capital Market is not an Indian phenomenon alone. Market issues being discussed in world forums are largely identical to what is being discussed in India.

ANOTHER MILESTONE FOR THE CAPITAL MARKET WOULD BE WHEN THE SUGGESTIONS OF ANMI RELATING TO A DATABASE FOR CLIENT DEFAULTS/DISPUTES ARE ACCEPTED BY SEBI AND GET REGULATORY APPROVAL.

Besides periodic discussions between ICMA and ANMI on market related issues, ICMA will also host ANMI Mirror on its website. We will be establishing close coordination and will work with ICMA on issues of mutual interest like development of market including debt segment, enhancing skill sets of market participants, co-option and enforcement of best global practices, adoption and adaptation of new products.

Recently, ANMI was invited to attend AGM ICSA (International Council of Securities Associations) during May 2011, held in London, and the Annual Conference of ICMA at Paris where we could interact with leading economists, capital market regulators and legislators from across the world.

With Regards

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President, ANMI

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