

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) The provisions for Long Term Capital Gains (LTCG) on sale of equity shares and equity-based mutual funds have come into effect only from the current financial year. The return of income for Assessment Year 2019-20 corresponding to the current financial year is not yet due to be filed. Therefore, it is not feasible to provide the information as sought.

(b) Levy of both Securities Transaction Tax (STT) and LTCG on the equity shares does not amount to double taxation as the nature of the tax and the base on which it is levied are different. Whereas STT is a transaction-based tax levied on the gross value of the shares or units transacted, regardless of the period of holding of the shares and the element of profit or loss, LTCG is a tax on the income/profit arising from the sale of such shares or units after a defined period of holding.

Policy changes in IRDA

2918. SHRI T.G. VENKATESH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Insurance Regulatory Development Authority (IRDA) is proposing major policy changes to benefit the insurance policy buyers; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) and (b) A Committee on "Review of Product Regulations - Life" was constituted by the Insurance Regulatory and Development Authority of India (IRDAI) on 12th January, 2017.

The Committee submitted its report in the month of December, 2017. The Committee deliberated on several issues pertaining to product regulations and their key recommendations. Based on the recommendations of the Committee, an Exposure Draft was published and the comments thereon have been received.

Reform of financial regulatory architecture

2919. DR. K.V. P. RAMACHANDRA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether crisis at Infrastructure Leasing and Financial Services (IL&FS) is India's near Lehman Moment exposing the weakness in the financial regulatory architecture; and

- (b) if so, what long term measures are planned to reform the system?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) and (b) Reserve Bank of India (RBI) has intimated that the crisis at Infrastructure Leasing and Financial Services is an isolated event and cannot be compared to the global event such as the Lehman crisis. RBI has intimated that it is working on strengthening the asset-liability management framework for Non-Banking Financial Companies (NBFCs) on the lines similar to that for banks and harmonise it across different categories of NBFCs. Besides, after Credit Rating Agencies (CRAs) failed to warn investors in time about the deteriorating credit profile of IL&FS, the Securities Exchange Board of India on 13th November, 2018 tightened the disclosure norms for them and directed them to analyse the deterioration of liquidity and also check for asset-liability mismatch and disclose on a half yearly basis data on sharp rating actions in investment grade rating category and to disclose in general, liquidity position of the company being rated.

Violations of norms in NSE

2920. SHRIMATI WANSUK SYIEM: Will the Minister of FINANCE be pleased to state:

- (a) whether the stock market regulator SEBI is currently examining a complaint by a whistle-blower alleging a number of irregularities by a pharma major;
- (b) whether the market regulator is attempting to expedite its adjudication against the National Stock Exchange (NSE) and other institutions for alleged violations of norms in a case relating to algorithmic trading;
- (c) whether SEBI had *prima facie* found that some brokers got preferential access to the trading system through co-location facilities at the NSE premises; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) Securities and Exchange Board of India (SEBI), the securities market regulator, has informed that it has recently received an anonymous complaint from a complainant claiming to be a whistle-blower, alleging market manipulation and fraud by a group of entities in respect of various scrips including a pharma major.

SEBI receives inputs in the form of complaints/alerts from surveillance system/ references from various agencies, which are treated as market intelligence and kept