



PLUTUS IAS

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MARKET INFRASTRUCTURE INSTITUTIONS

Context

Securities and exchange Board of India (SEBI) has floated a discussion paper on review of ownership and governance norms to facilitate new entrants to set up stock exchanges and depositories, otherwise called as Market Infrastructure Institutions (MII). In a discussion paper, the regulator has suggested a liberalised framework in the landscape of MIIs by allowing higher shareholding at the inception stage and prescribing a dilution in the ownership over a period of time.

Key Proposals

- As per the key proposals, a resident promoter setting up an MII may hold upto 100% shareholding, which will be brought down to not more than (either 51% or 26%) in 10 years.
- A foreign promoter from Financial Action Task force (FATF) member jurisdiction setting up an MII may hold upto 49% shareholding, which shall be brought down to not more than (either 26% or 10%) in 10 Years.
- Foreign Individuals or entities from other than FATF member jurisdictions may acquire or hold upto 10% in an MII

- Any person other than the promoter may acquire or hold less than 25% shareholding
- At Least 50% of ownership of the MII may be represented by Individuals or entities with experience of five years or more in the areas of capital market or technology related to financial services.
- MII should also be a public limited company
- It has been proposed that the appointment of MD and CEO of the MII should be for maximum three terms of three years each, subject to the age limit of 65 years. At present, MD and CEO of a MII can be appointed for a maximum of two terms of up to five years each, with an age limit of 65 years.

Challenges

- SEBI noted that Indian securities market has been characterised by a dominant level of market concentration by a single entity in the trading and depository space.
- Since stock exchanges and depositories fundamentally represent the intersection of technology and markets, Sebi said there is a concern that excessive concentration may lead to abuse of one's dominant position in the business as well as institutional tardiness in responding in a timely manner to the changing dynamics of the capital markets ecosystem.
- Entities may fall behind the curve in embracing innovations which have a direct bearing on enhancing efficiency in trading and record-keeping space and improving supervision and risk management practices.

Way Forward

- According to Sebi, there is a need to forge a competitive landscape in MIIs' space by way of creating an enabling ownership framework which facilitates not only the entry of new players but also enables merger and acquisition of the existing

- entities in/ by the new players who may like to challenge other MIs in their already established domain.
- SEBI suggested changes in the composition of the regulatory committees at MIs to ensure enhanced supervision and accountability so that such institutions can fulfill their role as public utilities and first level regulators.

Indian Star Tortoise



Context-

Recently the government has seized Indian star Tortoise while being smuggled from Andhra Pradesh to Odisha.

About Star Tortoise-

It's scientific name is *Geochelone Elegans*

It is inhabited in a variety of dry vegetation types, including grasslands, deserts, agricultural landscapes of fields.

The tortoise is found across the Indian sub continent specifically in the Central and southern parts of India, in Sri Lanka and Western Pakistan

Conservation Status-

- Wild life Protection Act 1972- Schedule 4
- IUCN status- Vulnerable
- Convention on International Trade Species(CITES)- Appendix 1

Threats-

Illegal smuggling for use of exotic Pets

Conservation Efforts-

Recently India has proposed it to transfer it from Appendix 2 To Appendix 1 in CITES

Startup India Seed Fund Scheme

Context-

Recently Prime Minister Of India has said that The Government will launch a Startup India Seed Fund Scheme for the new Startups.

Objective-

The fund has been set up to provide initial capital to the startups. After that Startups will be provided with the Government Guarantee which will help them to raise the debt capital.

Coverage-

The fund would offer financial assistance to startups for proof of concept, prototype development, market entry and commercialisation of products.

Funding Plan-

The scheme will offer startups up to Rs. 20 Lakhs as a grant and upto Rs 50 Lakhs can be availed through convertible debentures.

Need of the scheme-

It is needed to provide a platform to the emerging Technologies to make India a lab of Asia where entrepreneurs of the future will be prepared.