



SEBI gets New Powers

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The Finance Bill, 2019 has given the **Securities and Exchange Board of India (SEBI)** new powers to act against entities that tamper or destroy electronic databases or fail to furnish information.

- A new **section (15HAA)** has been inserted in the SEBI Act, which states that if a person tampers with information to obstruct or influence an investigation, destroys regulatory data or tries to access data in an unauthorised manner then the entity could be penalised up to ₹10 crore or three times the unlawful gains, whichever is higher.

Though it is not yet clear whether 'regulatory data' and 'database' as mentioned in the section refers only to SEBI data or even those maintained by exchanges, depositories and clearing corporations.

- SEBI can now also impose penalties of up to ₹1 crore on brokers if they fail to issue a contract note to clients in the format as laid down by the exchanges.
Earlier, only the lower limit of ₹1 lakh was prescribed.
- These new powers assume significance as it is already probing the leak of sensitive data through WhatsApp and also recently passed fresh orders on the National Stock Exchange (NSE) co-location matter.