

## **RBI issues guidelines to prevent market abuse**

The Reserve Bank of India (RBI) Friday came out with guidelines to prevent misuse of price-sensitive information by participants in markets for financial instruments.

"Market participants, either acting independently or in collusion, shall not undertake any action with the intention to manipulate the calculation of a benchmark rate or a reference rate," the RBI said in a notification.

Also, no market participant would carry out a transaction or initiate any action with the sole or dominant intention of influencing a benchmark rate or a reference rate.

About regulatory action on market abuse, the RBI said market participants indulging in any such activity are liable to be denied access to markets in one or more instruments for a period that may not exceed one month at a time.

The guidelines became effective on Friday.

These directions, the RBI added, would exclude transactions executed through the recognised stock exchanges. Further, the directions would not apply to banks and the central government in furtherance of monetary policy, fiscal policy or other public policy objectives.

*(Economic Times)*