

RS passes Sebi bill for appointing SAT head

Rajya Sabha today passed a bill seeking to broaden the criterion for appointment of Presiding Officer of the Securities Appellate Tribunal (SAT), a statutory body that adjudicates on appeals against orders passed by Sebi.

The Securities and Exchange Board of India (Amendment) Bill, 2013 seeks to include the criterion of appointing a retired High Court judge having held the position for seven years for heading the Tribunal.

The bill, passed by voice vote, paves way for appointment of SAT chief, a post lying vacant for over a year.

As per the existing criteria, only a serving or retired Supreme Court judge or Chief Justice of a High Court can head the Tribunal, but government is finding it difficult to fill the slot.

Introducing the Bill, Finance Minister P Chidambaram said the government was unable to find a suitable judge who was willing to take up the position and hence "may have to settle now with a senior judge of the High Court".

"We have been trying to find a suitable judge. Unfortunately, despite best efforts of the Chief Justice, we are not able to find a suitable candidate to fill the vacancy ...It is a very important Tribunal. I will still try to find a person of the first criterion," he said.

He, however, said notwithstanding the Amendment, government will continue to make efforts to fill the vacancy as per the first criterion of a retired or sitting Supreme Court judge or Chief Justice of a High Court.

"The Chief Justice has assured me that he is still making efforts to ensure that a sitting or retired Supreme Court judge or Chief Justice of a High Court" takes up as Presiding Officer of the Tribunal.

Chidambaram said even though the SAT was without a presiding Officer, the functioning of the body was not held up as it has two members to take up cases before it.

The Finance Minister said, "This is a technical subject dealing with capital markets and only a judge who has dealt with commercial and capital market law will be comfortable to deal with the matters coming up before the Tribunal."

He was responding to a query by Saifuddin Soz (Cong) on why only judges should be appointed to head the Tribunal and not bureaucrats or others.

Chidambaram also sought to justify the seven years' criteria for the High Court judge in the amended Sebi Act, saying it was "not an arbitrary number" and was suggested by the

Chief Justice who felt that a judge with seven years experience will be senior enough to discharge the responsibility. "I was satisfied," he said.

He expressed confidence that the Chief Justice of India and his nominee SC judge Justice G S Singhvi will be able to find a suitable candidate to fill up the vacancy.

"It is not that SAT is not functional. It is not that SAT's work has come to a halt. There are two members of SAT who are functional. They are disposing of cases," Chidambaram said, adding that only 60 cases were pending before SAT.

The Sebi (Amendment) Act replaces the Sebi Amendment Ordinance 2013 promulgated by the government on January 21 to tide over the difficulty in filling up the vacancy for Presiding Officer of SAT.

Referring to scams in the Stock Market, V P Singh (BJP) took the names of Harshad Mehta and Ketan Parekh in India and Rajat Gupta in the US and wanted to know from the Finance Minister whether Sebi netted only small fish and let go the "big" ones.

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