

SEBI to set up advisory committee for mutual funds

Market regulator Securities and Exchange Board of India (SEBI) will set up an advisory committee for mutual funds, a top official said here Wednesday.

'Following the setting up of primary advisory committee and secondary advisory committee in SEBI, an advisory committee for mutual fund is also on the anvil,' said SEBI chairman C.B. Bhave.

The committee will provide a debating platform for industry representatives, investors and intermediaries.

Addressing the fourth Mutual Fund Summit-2008, organised by the Confederation of Indian Industry (CII), Bhave said if the mutual fund industry has to grow, 'it should focus on and take serious cognizance of investor's interests'.

'The mutual fund industry will also have to ensure sustainable growth in maturing market,' Bhave said. He also suggested the industry carry out a survey to understand investors' interests.

About the initiatives being undertaken by SEBI, Bhave said mutual fund regulations and mandatory board of trustees for mutual funds are 'reviewed and looked into'.

U.K. Sinha, managing director of UTI Asset Management and chairman of CII National Committee on Mutual Funds, said mutual fund was a maturing market and there was a growth momentum to sustain.

'There are reports that in the next two-three years, mutual fund industry would grow at 35-40 percent. In order to place the industry at a level playing field with other industries, the government should seriously rethink either softening or removing the inter-regulatory arbitrage and pension sector reforms,' Sinha said.

The Summit also witnessed the release of the CII-Pricewaterhouse report on 'Indian Mutual Fund industry: Sustaining Growth in a Maturing Market'.

About the report, Pricewaterhouse Coopers Ltd executive director Jairaj Purandare said it made a SWOT (strength, weaknesses, opportunities and threats) analysis of the mutual fund industry.

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