

**Headline:** Sebi open to ETF rule changes to spur growth

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SEBI OPEN TO ETF RULE CHANGES TO SPUR GROWTH, SAYS MARKET REGULATOR'S CHIEF U K SINHA | 22

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**Mumbai:** Markets regulator Sebi is open to making changes in rules regulating innovative financial products, including exchange-traded funds, to spur their growth if market players and experts give their inputs, provided such rule changes are positive for investors.



"Based on inputs from experts or participants, if there is any need that further changes are required for rules and regulations of ETFs, Sebi will be more than willing to listen to you and incorporate those changes," Sebi chairman **U K Sinha** said. He also pitched for more transparency and disclosures with regard to ETFs, currently a Rs 9,000-crore industry in India but has the potential to grow at a fast clip, industry experts say.

Sinha said two recent decisions are expected to spur growth in ETFs in India: The decision of the government to take the CPSE route for divesting its stakes in public sector companies and the Employees Provident Fund Organisation to invest up to 5% of its incremental inflows into the stock market through the index ETF route. The Sebi chief was speaking at NSE's India ETF Conference here.

**Sebi alert on rising prices of pulses:** Sebi, which recently merged commodity futures trading regulator FMC with itself, on Monday said it was keeping a close watch on the sharp rise in prices of pulses and was in touch with the government bodies taking steps to rein in galloping prices.