Regulatory shift: Time for more non-govt chiefs?

The regulatory landscape in India is undergoing a significant transformation, with a growing emphasis on non-governmental players to lead key regulatory bodies. This shift is driven by the need for fresh perspectives and expertise, particularly in sectors like telecommunications, industry, and professional experience in aviation, economics, law, finance, actuarial science, and professional experience in insurance or a combination of these fields.

A recent report highlighted the importance of having at least one person from each discipline on the boards of regulatory bodies. This ensures a balanced approach to decision-making, incorporating various perspectives and avoiding a single-minded focus on government officials or retired officers.

The report also noted that regulatory bodies like the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) have already started appointing non-governmental persons to their boards, marking a significant shift from the traditional approach.

However, the report acknowledged that while progress has been made, there is still a long way to go. It called for more non-governmental persons to be appointed to regulatory bodies, especially in sectors like financial markets and telecommunications.

The move towards non-governmental persons is seen as crucial for enhancing the effectiveness and accountability of regulatory bodies, ensuring that they are equipped to address complex issues and challenges in a dynamic and competitive environment.

Pradeep Malhotra, a leading expert on regulatory issues, welcomed the move, stating that it is a significant step towards modernizing the regulatory framework in India. He emphasized the need for continued efforts to ensure that regulatory bodies are equipped with the necessary expertise to meet the challenges of the 21st century.