

Introduction to CMSL

Detailed Course on CMSL - CS Executive Module 2

EXECUTIVE PROGRAMME

Group 2

Paper 5

CAPITAL MARKET & SECURITIES LAWS

SYLLABUS

OBJECTIVES:

Part I: To provide the basic understanding of the working of capital market in India.

Part II: To provide conceptual understanding and working knowledge of securities laws governing the entities listed on the stock exchanges.

Level of Knowledge: Working Knowledge

PART I: CAPITAL MARKET (40 MARKS)

- 1. Basics of Capital Market:** Structure of Capital Market • Participants of Capital Market • Capital Market Instruments.
- 2. Secondary Market in India:** Development of Stock market in India • Stock market & its operations • Trading Mechanism • Exchange Traded Fund • Derivatives • Rights Entitlements • Block and Bulk deals • Basis of Sensex • Nifty • Types of Indexes • Clearing Corporations • Suspension and Penalties • Surveillance Mechanism • Risk management in Secondary market • Impact of various Policies on Stock Markets • Types of Market • Types of Trading Platform • Regulators of Secondary Markets.
- 3. Securities Contracts (Regulations) Act 1956:** Objectives of the SCR Act, Rules and Regulations made there under • Important Definitions • Recognized Stock Exchange • Public issue and listing of securities • Case Laws.
- 4. Securities and Exchange Board of India:** Objective • Powers and functions of SEBI • Securities Appellate Tribunal • Penalties and appeals • Procedure for Redressal of Grievances • SCORES • SEBI (Informal Guidance) Scheme, 2003 • Case Laws.
- 5. Laws Governing to Depositories and Depository Participants:** Role & Functions of Depositories • Depository Participants • Admission of Securities • Dematerialization & Re-materialization • International Securities Identification Number (ISIN) • Depository Process • Inspection and Penalties • Internal Audit and Concurrent Audit of Depository Participants.
- 6. Securities Market Intermediaries:** Regulatory Framework • Primary Market and Secondary Market Intermediaries • Role and Functions of Merchant Bankers, Stock Brokers, Registrars and Transfer Agents, Bankers to an Issue, Portfolio Managers, Debenture Trustees, Investment Advisers, Research Analysts, Credit Rating Agencies, Depositories and Depositories Participants, Foreign Institutional Investors • Internal Audit of Intermediaries by Company Secretary in Practice • Case Laws and Case Studies.

7. **International Financial Services Centres Authority (IFSCA):** Establishment of Authority • Powers and Functions of Authority • International Financial Services Centre (IFSC) • Financial Products • Financial Services • Listing and Trading of units in IFSC • SEBI IFSC Guidelines.

PART II: SECURITIES LAWS (60 MARKS)

8. **Issue of Securities - Concepts:** Types of Issues • Initial Public Offer • Further Public Offering • Rights Issue • Preferential Issue • Qualified Institutions Placement • Initial Public Offer of Indian Depository Receipts • Rights Issue of Indian Depository Receipts • Initial Public Offer by Small and Medium Enterprises • Bonus Issue • Share Based Employee Benefits and Sweat Equity.
9. **Issue and Listing of Non-Convertible Securities:** Debt Securities and Non-Convertible Redeemable Preference Shares • Perpetual Debt Instruments • Commercial Paper - Issuance and Listing.
10. **Listing Obligations and Disclosure Requirements:** Compliances under SEBI (LODR) Regulations, 2015 • Key Provisions pertaining to Corporate Governance • Prior Intimations • Disclosure of Events or Information • Meeting of shareholders and voting • Policies • Compliance under SEBI (LODR) Regulations, 2015 which has listed its Non-Convertible securities • Liability of a Listed Entity for Contravention • Case Laws and Case Studies.
11. **Acquisition of Shares and Takeovers – Concepts:** Regulatory Framework • Trigger point for making an open offer by an acquirer • Disclosures • Exemptions • Case Laws and Case Studies.
12. **Prohibition of Insider Trading:** Basic Concepts • Unpublished price sensitive information (UPSI) • Trading Plans • Disclosures • Informant Incentives and Rewards • Codes of fair disclosure and conduct • Penalties and Appeals • Case Laws and Case Studies.
13. **Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market:** Prohibition of certain dealings in securities • Prohibition of manipulative, fraudulent and unfair trade practices • Investigation • Case Laws and Case Studies.
14. **Delisting and Buyback of Securities - Concepts:** Delisting of Equity Shares • Voluntary Delisting • Exit Opportunity • Compulsory Delisting • Conditions of buy-back • Buy back Methods • Tender Offer • Open Market (Book building and Stock Exchange) • General obligations • Penalties • Case Laws and Case Studies.
15. **Mutual Funds :** Regulatory Framework • Types of Mutual Funds and Schemes • Key players in Mutual Funds - Sponsor, Asset Management Company, Trustee, Unit holder • Evaluating performance of Mutual funds - Net Asset Value • Expense Ratio • Holding Period Return.
16. **Collective Investment Schemes:** Regulatory Framework • Restrictions on Business Activities • Submission of Information and Documents • Trustees and their Obligations • Case Laws and Case Studies.

ARRANGEMENT OF STUDY LESSONS
CAPITAL MARKET & SECURITIES LAWS
GROUP 2 • PAPER 5

PART I – CAPITAL MARKET

S. No. Lesson Title

1. Basics of Capital Market
2. Secondary Market in India
3. Securities Contracts (Regulation) Act, 1956
4. Securities and Exchange Board of India
5. Laws Governing to Depositories and Depository Participants
6. Securities Market Intermediaries
7. International Financial Services Centres Authority (IFSCA)

PART II – SECURITIES LAWS

8. Issue of Capital & Disclosure Requirements
9. Share Based Employee Benefits and Sweat Equity
10. Issue and Listing of Non-Convertible Securities
11. Listing Obligations and Disclosure Requirements
12. Acquisition of Shares and Takeovers – Concepts
13. Prohibition of Insider Trading
14. Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market
15. Delisting of Equity Shares
16. Buy-Back of Securities
17. Mutual Funds
18. Collective Investment Schemes