

Fourteenth Loksabha

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Participants : [Rao Shri Kavuru Samba Siva](#), [Mahtab Shri Bhartruhari](#), [Bansal Shri Pawan Kumar](#), [Bansal Shri Pawan Kumar](#), [Deo Shri Bikram Keshari](#), [Swain Shri M.A. Kharabela](#), [Mahtab Shri Bhartruhari](#), [Radhakrishnan Shri Varkala](#), [Kumar Shri Shailendra](#), [Singh Shri Ganesh Prasad](#), [Reddy Shri Suravaram Sudhakar](#)

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Title : Further discussion on the motion for consideration of the Actuaries Bill, 2005 moved by Shri Pawan Kumar Bansal on 28 July, 2006 (Bill Passed).

MR. DEPUTY-SPEAKER: The House shall now take up Item No.21 – further consideration of Actuaries Bill, 2005.

The time allotted for this was two hours and we had already taken 18 minutes. The balance left is 1 hour 42 minutes. I now request Shri K.S. Rao to speak on this Bill.

SHRI K.S. RAO (ELURU): Mr. Deputy-Speaker, Sir, the Actuaries Bill now introduced by the hon. Minister is one of the very important Bills. In fact, this should have come a long time back. Anyway, wisdom prevailed and the Bill is brought now.

This Bill has got a lot of importance. The very meaning of actuary is one who calculates the effect of today's decision after a long time [[KMR28](#)].

Suppose, if we start saving and if somebody gives a proposition to save one rupee per day, and some other person would come with a proposition that after his retirement, he would be paid Rs.1,000 every month, it is not believable. But actually when somebody calculates as to what would be the impact of saving one rupee per day, after 50 years, he may get more than Rs.1,000 every month as long he lives. That is the role of the actuary, who calculates the effect of today's decision after a period. The importance has now come and the Government has gone into it because of the insurance. Till the other day, life insurance is in the hands of the Government of India only. It was not open to the private sector earlier. Premium was being charged for a long time in the same way. They did not go into the minute details. They did not go as effectively as they should. The longevity of a person 40 years back is totally different from the longevity of a person today. The calculations made in those days to fix a premium of a person in insuring his life is different from what it is today. Now, we are allowing the private sector to enter into the insurance sector. They would calculate all those things. These actuaries are in great number. They are advanced to a great extent in the Western and developed

countries. They would easily calculate and then, they would fix up a less premium than the Government or the LIC fixes. Naturally, the entire business would go to them and our organisation would suffer.

Shri Gurudas Dasgupta and Communist friends were making hell of a noise. We all now about the percentage of interest to be paid on Provident Fund. I do understand their intention behind it and that is that a worker should not suffer. That is definite. But the suggestion by the Government of India is, if we were to keep the entire fund, then, we would not be able to keep up our commitments to pay salaries, pension and all that. They draw 50 per cent of the pension at the end of the retirement. Our experience shows that there is a deficit of more than Rs.10,000 crore, which has become a burden for the Government of India to pay from the Exchequer. It cannot be paid out of the earning from the Provident Fund that is there with the Government. Now, the actuaries have thought over the issue and they gave a proposal. All the funds of the employees would be handed over to the fund manager, who will manage the fund with some regulations so that the employees are secured of benefits, they are secured of how much amount they would get afterwards. All these things are calculated by the actuaries only. This is to be done in a scientific way. This requires knowledge in statistics, mathematics, economics, finance, law, marketing and management. Only if they know all these things, only then, they would easily calculate.

I would like to quote another instance. As early as 1985, I was suggesting to the then Prime Minister, Shri Rajiv Gandhi that growth of population is a big issue in the country and asked him to announce a scheme to the effect that if a couple were to agree to have only one child, at the time of marriage of that child, the Government of India would pay Rs.1 lakh. Nobody would believe it. All that the Government of India was paying in those days was Rs.3,000 per head. I would give the calculation. Now, we have 1,100 million people in the country and if the age group of 25 and 36 were to be 200 million, that means, there are 100 million couples in the country[s29].

If those people were to have a commitment that they would not have more than one child, we could deposit Rs.3,000 in their account which would become Rs. 1 lakh by the time the child attains the age of marriage. The burden on the Government of India will be – whether it will be shared by the Government of India and the State Governments or not – Rs.3,000 crore per year by which we can control the entire population growth, and that would solve several problems. These people will calculate the amount of fertility, how it is coming down, what is the probability of the birth of children, etc. All these things will be done by the actuaries.

One good thing in the country now is that we have legislated Bills on Chartered Accountants of India, on Cost and Accountants of India, on Company Secretaries of India. All these organizations are self-financing. There is no burden on the Government; not a single rupee is to be spent. Similarly in the case of actuaries, it will be self-financing. All that we have to do is to give them freedom, and also a regulatory mechanism from the Government of India.

If these were to be done, many problems will get solved. We do not know; if one were to purchase a house for Rs.10 lakh, one may think that he may not be able to pay Rs.10 lakh. You will not think of purchasing the house at all. But in that case, the actuaries will come into the field and say that you have to pay Rs.2,000-Rs.3,000 per month, you will be encouraged to purchase the house and thus, the problem of housing will be

solved. That will increase the economic growth. What is required for the country? If you say that America is rich, what is rich in it? A number of buildings are there; roads are there; infrastructure is there; all the facilities are there.

This is only to motivate the person to work and create wealth. That is what wealth is and that is what development of the nation is. What is required is ingenuity of the human being that should be utilized. The House should make laws in such a manner that would motivate the people to work. Then our job is done. We do not need to break our heads – to go to the field and do everything regularly. If we limit ourselves in bringing forward right legislations to motivate citizens of this country to work hard and generate wealth, that will take care of them, their families and thus, they will be earning for themselves and also for the nation.

Then the problem will be solved in many ways. Actuarial science is the backbone not only for insurance but also for several other issues, as I told, like population control, financial services, pension and gratuity, maintaining PF, etc. Only thing is that the number of people who are there now and who think in those terms are very little – about 2,500 people are only there who are well-versed in this who are there in this country. This has to be increased. So the Government has to take up and give this assignment to the Actuarial Society which is becoming an Institution of Actuaries, to try and have more and more actuaries so that this can spread not only in one field, but also in different fields of activities in this country.

I do not want to take more time of the House. I can only say that this Bill is going to solve several problems that the country is facing today; it is in the interest of the nation; all of us unanimously, irrespective of the Party to which one belongs, should support this Bill. I do understand that by virtue of being in the Opposition, they may criticize saying that this Bill is not a foolproof one, etc. For that matter, no Bill is foolproof. When we legislate a Bill, we will see the experience and the Government may come up with some amendment later, to improve the Bill.

In a similar way, I would request the hon. Minister, not to get satisfied only with the passage of the Bill, but to monitor how effective it is; and if necessary, he may bring in some amendments later. Basically if something should benefit the nation, every one of us have to have character and integrity. If these are lacking, no Bill will do any good to the nation. Similar is the case with Actuaries Bill.

I wish that he may incorporate somewhere in the Bill that the members that are being selected for actuaries either on the Board or somewhere, their integrity should be taken into account. I wish that he incorporates it now or he can do that later also, which is regarding the integrity of the members of the Board.

With these words, I congratulate the Minister; I thank you, Sir, for having given me the opportunity.

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Sir, I have no objection in passing the Bill but I will have to make some remarks about the circumstances under which this Bill is being legislated.

In the first place, we all know that there were only six nationalised insurance companies in India, which were purely privatised by the Central Government and the functions of actuaries were being done by them also. There was no difficulty at all. A new legislation was not required because at that time there were only six nationalised companies. An institute was also not necessary. After globalisation we have come to a stage that we will have to bring in a new legislation which must be exhaustive to define the work done by actuaries. Previously, there was an actuarial society registered under the Societies Registration Act, which had its Head Office in Mumbai. The Head Office of the Institute of Actuaries is yet to be decided by the Central Government. In the normal course, I think it will be in Delhi. I am not concerned with the place as to where will the headquarters function but I am concerned about other aspects.

All these functions were being managed by the actuarial society. They were doing this job perfectly well. Now, a situation has come where because of privatisation, 21 new private companies have come into the field. The workload has grown and also the area of operation got expanded. So, under such circumstances, a body functioning as a society registered under Societies Act is not enough. So, the Government thought of bringing a new legislation covering the entire field. This Bill is being brought for that purpose.

As per the provisions of the Bill, a new institute will come into force whose headquarters will be decided later on. The Actuarial Society was doing this job. All their assets and liabilities will be dissolved. The society itself will be dissolved and will be merged. There is one fundamental defect in this statute, which I must point out. It is with regard to Section 32.

This is a new arrangement. A new mechanism is evolved for doing a profession. New professionals will come into play under the provision of the statute and there will be examination and declaration of assets. People will be coming as new entrants. We have two kinds of members; fellow members and associate members. Associate members will not get the right to vote but the fellow members will get the right to vote. In this context, when a new mechanism is evolved, when a new arrangement is made in the functioning of a particular profession, why should it be brought under a different statute? Under the provision of the statute, the final decision is to be taken by the Appellate Authority. The Appellate Authority is the authority, which will take a final decision with regard to implementation of the statute. I will read Section 32:

“The Appellate Authority constituted under sub-section (1) of section 22A of the Chartered Accountants Act, 1949 shall be deemed to be the Appellate Authority for the purposes of this Act”

It will club all the matters together, which will lead to difficulty[R30]. wh[r31]y should we not have an Appellate Authority under the provisions of this Act? An Appellate Authority has been constituted for a specific purpose under the Chartered Accountants Act under Section 22. Why should they be entrusted with a new job for a new mechanism which is being evolved? Why should they be entrusted with this responsibility? They already have

so many things to do. They have to decide matters regarding Chartered Accountants. They have to take decisions with regard to examination to be conducted for a Chartered Accountant. They are doing a very good job. Their certificate is essential for every purpose. In that context, when they have sufficient work why should this work also be clubbed with them? The Chartered Accountants work will not be done in a proper way and this work will also be lagging. There would be delay. After all, we have decided to bring in a new legislation and a new Institute is to be established under the provisions of a new statute. Then why should it be clubbed with another Appellate Authority constituted under another Act? That Appellate Authority is not in a position to discharge all the functions of the Chartered Accountants. We have to bear in mind that thousands and thousands of cases will have to be decided by the Appellate Authority under the provisions of the Chartered Accountants Act. That being the case, why should they be burdened with another duty regarding Actuaries under the provisions of this Act? The purpose for which this legislation is brought will be defeated. We are clubbing it with an Authority constituted under the provisions of a separate Act. It is not correct. So, I would advise the Minister to re-consider it. It is better to have a separate Authority under the provisions of this Act. You should not club them. There should be different authorities. In our country, you are well aware that cases are delayed. When that is the position, if I may put it, it is not wise to club this Appellate Authority with an Authority constituted under the provisions of the Chartered Accountants Act. I think you would think over it at least now. But I am sure you will have to come again to the House with an amendment constituting a separate Appellate Authority for the purpose of this statute. So, you consider it. This is not proper. There are many more things but I do not want to go into the details. But it is not a good practice to club them. A body constituted under one Act be allowed to function under that Act only. Now you are constituting a new Institute under the provisions of this Act, then why not have a separate Appellate Authority? What is the difficulty? Are you thinking where the money will come from? The Government will not have to spend extra money. The money will come through this process of actuaries' business, risk factor and so many other things which would be done by the actuaries. They are the persons who would advise people to take policies. These actuaries would go to the villages, approach people, and advice them in matters of risk factor. All these things would be done by these people. The Government will not lose a pie if a separate Appellate Authority is constituted under the provisions of this Act.

With this observation, I have no objection regarding passing of this Bill but it is defective. With these words, I conclude.

श्री शैलेन्द्र कुमार (चायल) : माननीय उपाध्यक्ष महोदय, आपने मुझे बीमांकक विधेयक, 2005 पर बोलने का समय दिया, इसके लिए मैं आपका आभार व्यक्त करता हूँ और साथ ही साथ मैं इस नए विधेयक का समर्थन भी करता cÚÆ[[rpm32](#)]।

अपने भाषण में माननीय मंत्री जी ने बड़े विस्तार से कहा कि यह चार्टर्ड एकाउंटेंट टाइप का विधेयक होगा। यह बात भी सत्य है कि जैसे-जैसे देश ने विकास किया है, वैसे-वैसे आर्थिक क्षेत्रों में बीमा का विस्तार हुआ है, फिर चाहे छोटे-मोटे बीमे का विाय हो या बड़ी-बड़ी कम्पनियों के बीमे का विाय हो। पूरे देश में अभी तक 6 कम्पनियां ही बीमा करती थीं। जिस प्रकार से आर्थिक क्षेत्रों में विकास हुआ है, उसी प्रकार से बीमा का विस्तार भी होता जाएगा और बीमांकन का कार्य भी बढ़ेगा। बीमांकन में यह है कि भविष्य में क्या होगा, इसका मूल्यांकन करना है - फिर चाहे वह प्रिमियम में हो, पॉलिसी में शर्तों की बात हो या धनराशि की बात हो - ये तमाम बातें इसमें होंगी। बीमांकन के लिए अलग नीतियां बनाई जाएंगी। व्यवसाय के क्षेत्र में साथ ही साथ बोनस को भी निर्धारित किया जाएगा कि कितने वर्ग में कितना बोनस देना है, इसका भी मूल्यांकन होगा और

इसकी देखरेख होगी। बीमांकन किसी के दीवालिया होने पर अपनी राय व्यक्त करेगी। बीमांकन परामर्शदात्री के रूप में काम करेगा और खास तौर से आम आदमी को परामर्श देने का काम करेगा।

माननीय मंत्री जी ने बताया कि 203 बीमांकन होंगे - 137 देश के और 66 बाहर के होंगे। इसके अलावा 3957 छात्रों का पंजीकरण हुआ है। 4326 लोग इससे जुड़े हैं। इसके अलावा भविष्य में, 2010 तक दस हजार बीमांकन होंगे और 2015 तक इनकी संख्या 15 हजार हो जाएंगे। इसमें बीमांकन बोर्ड का भी गठन किया गया है, जिसके लिए 912 लोग चयनित हैं। इसमें से एक-तिहाई दो वर्षों के कार्यकाल में बदल जाएंगे।

महोदय, जहां तक अपीलीय प्राधिकरण का विषय उठाया गया है कि आखिरी फैसला अपीलीय प्राधिकरण तय करेगा और वही इसका निबटारा करेगा, जिसमें निदेशक को सभी पावर होंगी। मैं कहना चाहूंगा कि निदेशक मण्डल में कुछ सदस्यों हों और वह बोर्ड अंतिम फैसला ले। इन्हीं शब्दों के साथ मैं अपनी बात समाप्त करता हूँ।

श्री गणेश प्रसाद सिंह (जहानाबाद) : उपाध्यक्ष महोदय, मैं आपका आभारी हूँ कि आपने मुझे बीमांकन विधेयक पर चर्चा करने का अवसर प्रदान किया।

महोदय, जहां तक इस विधेयक को लाने का मकसद है, रजिस्ट्रेशन एक्ट के तहत जो सोसायटीज बीमा क्षेत्र में कार्य कर रही हैं, इस विधेयक के माध्यम से उपबन्ध है कि पुरानी सोसायटी को बंद करके उसका भारतीय बीमांकन संस्थान नामकरण किया गया है। इस संस्थान के माध्यम से बीमा के क्षेत्र में विकास और विस्तार करने के लिए इसमें उपबन्ध किया गया है। इससे उत्पन्न स्थिति का मूल्यांकन कैसे हो, इसका भी इसमें प्रबन्ध किया गया है। इन सभी बातों के अलावा यदि कोई विवादित मामला हो तो उसके निपादन के लिए भी प्राधिकरण बनाया गया है।

महोदय, अभी श्री राधाकृष्णन जी बोल रहे थे कि अपीलीय प्राधिकरण को अंतिम फैसला लेने का अधिकार दिया गया [cè*\[c33\]](#) इसमें मेरा व्यक्तिगत सुझाव होगा कि इस अपीलीय प्राधिकरण का दायरा थोड़ा बढ़ाया जाये और इसमें एक कानूनी व्यक्ति को भी उसके निदेशक के पद पर या सलाहकार परिषद के सदस्य के रूप में नियुक्त करने का प्रावधान किया जाये। अभी इसकी धारा 56 और धारा 57 में कुछ परिवर्तन किया गया है, संशोधन किया गया है। धारा 56 केन्द्रीय सरकार को विधेयक के उपबन्धों को क्रियान्वित करने के लिए नियम बनाने के लिए सशक्त करता है, यानी केन्द्र सरकार को सशक्त करने के लिए धारा 56 और धारा 57 बनाई गई हैं। अभी जो बिल लाया गया है, यह बिल वास्तव में लाभकारी है और बीमे के क्षेत्र में काम करने के लिए आगे चलकर फायदेमंद होगा।

हमारी जो 6 बीमा कम्पनियां पहले से चल रही थीं, इनके अलावा इसमें काफी कम्पनियों को समाहित किया गया है। उनको लाइसेंस देने का, उन पर नियंत्रण करने का इस विधेयक के माध्यम से यह अधिकार प्रदत्त करता है, इसलिए मैं इस विधेयक का समर्थन करता हूँ।

MR. DEPUTY-SPEAKER: Shri Mahtab, you may speak now. Your Party has been allotted only three minutes.

SHRI B. MAHTAB : Initially, I should say that the Business Advisory Committee had allotted two hours for this Bill.

उपाध्यक्ष महोदय : जो चार्ट मेरे पास है, उसके अनुसार आपकी पार्टी का समय तीन मिनट है।

...(व्यवधान)

SHRI B. MAHTAB : There is no point in speaking for three minutes. What can I say in three minutes?

MR. DEPUTY-SPEAKER: Please give your suggestions only.

SHRI B. MAHTAB : There is no point in speaking on this Bill in three minutes. I decline to participate in this discussion.

उपाध्यक्ष महोदय : आप 4-5 मिनट बोल लें, इसमें क्या है।

...(व्यवधान)

उपाध्यक्ष महोदय : यह जरूरी तो नहीं कि हर सबजैक्ट पर आपको लम्बी ही बोलना है।

...(व्यवधान)

SHRI B. MAHTAB : Sir, in this Bill, it is not only that a society is converted into another institute but there are also a number of other factors like the definition of actuaries which have to be discussed. This Bill had come up during the NDA regime itself. But, subsequently, when this Bill was moved in March, 2005, the definition of actuaries was the main component. The impact that it is going to have is not being discussed. Initially, of course, the Minister has stated certain facts about the history of the Actuaries Act of 1943, the Societies Registration Act and subsequently how it has progressed. But then for the last many years, actuaries have been confined to a specific work. Now, with the expansion of the activities of insurance, it is no more confined to life insurance. The insurance sector had multiplied manifold. And with the expansion of insurance, a number of private players have come in and thus, the job of actuaries has increased manifold. A number of stakeholders have also come in and hence, there is a need for regulation and definition. That was the main reason why the previous Government had brought this Bill and the UPA Government has brought this Bill with the suggestion of definition.

I would also mention that actuaries work is done individually and as partnership also, and in the near future, it is going to play a major role in crop insurance sector. It is not only there in life insurance or in property insurance but there are a number of other factors also which will be incorporated in this Bill.

The scope and the functions of the duties of actuaries have increased considerably in this changed situation. We all know that actuarial science is considered to be the backbone of insurance operations. However, with the passage of time, the scope of actuarial profession has extended from the area of life insurance to other sectors which have long-term liabilities. The Actuarial Society of India was established in 1944 and was registered in 1982 in which the Standing Committee had recommended certain modifications[[bru34](#)].

15.00 hrs

One of the recommendations was that the word "actuary" should be defined. There were some other recommendations also. That was during the last Lok Sabha. The present Bill incorporates the provisions of the earlier Bill which lapsed along with the recommendations. The main components of the Bill are settlement of disputes; election to the Council through a Tribunal; constitution of Disciplinary Committee and an Appellate Authority; and an establishment of Quality Review Board. The formation of the Institute of Actuaries of India from a society is the crux of this Bill.

There is one group which says that actuary profession will function best if organised under self-regulation. They say, "You leave it to the private sector. Let them organise this. Let it function without any Government control". It is because no financial assistance should go from the Government. It should be within a non-governmental framework and that it should function under self-regulation. But I am of the view that actuarial profession can function in a better manner if it is governed by an Act of Parliament. My humble opinion is that actuarial profession should be regulated, as has been stated by some other hon. Members, on the lines of other professional bodies, like the Institute of Chartered Accountants, Institute of Cost & Work Accountants and the Institute of Company Secretaries, by setting up a professional statutory body. It would certainly help in advancement of the profession and will also contribute in improving the status of actuaries.

The second point was that other comparable professional bodies are self-financing and that it would be inappropriate to sustain the new body under the Government assistance. There also I differ from them. My opinion is that the Institute will have adequate in-built mechanism in place to function without any Government assistance after a short span of time. I would like to know from the hon. Minister as to how soon the Institute will become self-sustainable.

The Bill, of course, gives enough freedom to the Institute to perform its functions. To become an actuary, a person must be recognized by the institute. This is a special provision which has been made, which is really needed. By defining "actuary" all ambiguities have been removed.

There is an opinion that this Bill will empower bureaucrats, who have no knowledge of the profession and that they will meddle in the affairs of this body also as they do in some other professional bodies. But I am of the opinion that providing legislative backing to the actuaries will increase the credibility of the institution. With the entry of private players, within last three years, more than 3,000 students have enrolled for pursuing actuarial studies. This shows how much faith the people have in this service. Therefore, legislative backing is necessary.

I would like to draw the attention of the Minister towards the need for computation of complete mortality and morbidity table. There is a need to establish a permanent Mortality and Morbidity Investigation Bureau on the pattern which exists in developed countries. This would reduce the premium and improve the basic facilities for the customers of insurance, pension, and health industries. The move will also benefit employees of the corporates. The mortality and morbidity table is key to the pricing of any insurance and pension product, as

these kinds of long-term products are calculated on the basis of the average longevity of the population. I would be obliged if the Minister takes steps in this regard.

I support the Bill.

SHRI SURAVARAM SUDHAKAR REDDY (NALGONDA): Sir, I thank you very much for giving me this opportunity. I will try to be brief. I stand to support the Bill. As it has been mentioned in the Statement of Objects and Reasons, there are six nationalised insurance companies besides 21 private sector companies that have started transacting insurance business also in the country. Besides their traditional responsibility, Actuaries life and General Insurance Business has got many other responsibilities. They have to ensure mainly solvency margin and other insurance risks like legal liability, loss of profit, etc. They also define the risk factors, advise on the premia to be charged and re-insurance to be purchased, calculate reserve for outstanding claims and carry out financial modelling. This is a very important responsibility.

Sir, economic reforms are going on in a big way in our country. When such big scale economic reforms are on the march, there is a necessity that the corporate sector should be transparent and there should be more legal standards. So, the Actuaries have to play a very important role. I believe there should be more stringent punishment for the professional misconduct than what has been prescribed in the Bill.

15.07 hrs.

(Shri Arjun Sethi *in the Chair*)

Sir, the present Bill transforming from the Actuarial Society of India, which was registered under the Societies of Registration Act, now to be managed as Actuarial profession in India through this Institute is a good proposition and this will help to regulate the Actuaries. But, I believe that in the recent period, there are several complaints about the misconduct about this type of profession like auditors and people who are involved in this type of business. So, there is a necessity to regulate more seriously and the Government should take more serious view of this. This proposed Bill would help to give the responsibility for conducting the examination of profession of Actuaries. I think it is being left to this Institute. But instead the Government should come out with a proper examination system of this and there should be more standard of education for the Actuaries. After dissolving the Actuarial Society of India and transfer of assets and liabilities of the said Society, it is not only the question of this thing but about the profession as such, and to raise the general standards of this profession. For that, there should be more clarity and, I believe the new Institute should be given that responsibility. I also believe that the nominated members should be as less as possible in these types of institutes. Generally, the number of nominated members is on the rise. Here, it may be comparatively less than many other organisations but I believe, it should be only nominal. The nominated members should be less in number and elected members should be more so that the autonomy of this Institute can be successfully defended.

SHRI BIKRAM KESHARI DEO (KALAHANDI): Sir, I rise not to oppose the Bill but to support the Bill because this is a new stream of practice –Actuarial Science which will come into action after this Bill is passed by the House.

Sir, this is a new stream of practice to get and regulate the financial activities in the future for insurance sector. But here I would like to say that why just confine Actuarial Science to the insurance sector only because in 2002 when the Bill was first introduced, it was referred to the Standing Committee[R35]. Then the Standing Committee formed a Committee under Shri Narasimham to give a report on it. The report was given. Then, the suggestions that have come are that the actuarial science should not be limited to the Insurance Sector only; it should be linked to other sectors because this science usually relates to the activity of the Actuaries. It is to predict the future and not to give the truthful or rightful picture of what is going to happen. The right picture is not supposed to be given. It is just supposed to predict the losses or the profits that a particular institution is going to have. Therefore, this type of a science is a new type of science.

It started in Britain. The Institute of Actuaries of the United Kingdom was established in 1848. The Parliament never did this through an Act of Parliament. It was incorporated under the Royal Charter of the Privy Council in 1884. The Institute was not established under an Act of Parliament. Similarly, in Australia, it is a company. The Institute of Actuaries is a company. In the United States of America, the Society of Actuaries is a Society having a Constitution. So, the aspect of the Actuaries is not a new thing to the developed world or to this world today. This has been in vogue and practice in other countries and in other developing countries as well. But today the situation has necessitated it to be introduced in India and to make the profession a legal and futuristic one. It is to predict the profession so that proper models could be developed for various programmes, mainly, to make the Insurance Sector a success.

You will see that after the Insurance Regulatory Authority was formed, the Government allowed 26 per cent Foreign Direct Investment. A lot of players have come from abroad. A lot of companies have come from abroad. But when the debate took place in the House, at that time, the Minister in charge of it promised and said that the private sector, which would be entering the Insurance market, would go to the rural areas and get involved in the rural projects like crop insurance etc. But, out of the experience, it has been seen that the big private players have not gone into the rural insurance sector like farming and agriculture. They have not yet got into it. So, it is high time to regulate the activities. To predict a good future for the Insurance Sector, the Actuaries will be responsible.

Though it is a Society, yet this is a new beginning for India. By this Bill, they are going to end up with a Society. A new Act is going to be made by Parliament. I hope it will surely be passed. I also hope that the Actuaries will give a good service to the country and make predictions.

With these words, I conclude.

SHRI KHARABELA SWAIN (BALASORE): Sir, at the outset, I would like to say that Shri K.S. Rao should not have any apprehension that I will oppose the Bill. We support it.

The Bill was initiated during the time of the NDA Government. The Standing Committee on Finance deliberated it. Since the House was dissolved, it was not piloted in this House. So, I, as a Member of the Standing Committee on Finance, also support it.

I do not have much to say. I must say that it is absolutely required. This actuarial work is a very highly specialised work. So, it cannot be left to a Cooperative Society like the Actuarial Society of India. It is absolutely required that it should have an Institute like the Institute of Chartered Accountants of India. So, an Institute of Actuaries is going to be established on the lines of the Institute of Chartered Accountants of India. But I just have got two or three points to make. Very briefly, I will mention them.

I am very happy that the provision for a Quality Review Board has been provided in this Bill. The Quality Review Board will fix standards. It is absolutely required to fix standards for an Institute[R36].

What for has it been created? So, fixation of the standard and reviewing of the quality of the services provided by the Institute is the job of the Quality Review Board and I appreciate that this has been incorporated in this Bill.

The second point is this. I am very happy that a provision to constitute a Disciplinary Committee to deal with the misconduct of the members of this Institute has been provided in the Bill. As a Member of the Joint Parliamentary Committee set up to inquire into the Stock Market Scam, we found that many of the Chartered Accountants, who are actually required to set the records right, in collusion with corporate houses, saw to it that corporate houses misappropriated the money from the Stock Market. So, when we, in the Committee, wanted to know why any disciplinary action has not been taken against those Chartered Accountants, we came to know that those Chartered Accountants themselves were part of the Disciplinary Committee. So, even when the Disciplinary Committee asked and was given abundant evidence of wrongdoing by those Chartered Accountants, still no action was taken against them. Now, in the amended Act, a Disciplinary Action Committee has been provided and that has been provided in this Bill also. I am very happy that this provision has been included here because you know pretty well that whatever mistake a person might commit, he will not take action against himself.

Sir, I will now make two suggestions. Clause 58 (1) of this Bill says:

“Where the Central Government considers it expedient to do so, it may, by order in writing, direct the Council to make any regulations or to amend or revoke any regulations already made within such period as it may specify in this behalf.”

The Central Government will make the law in writing. Who is the Central Government? Is it not that we allow unnecessary bureaucratic intervention here? So, I appeal to the hon. Minister that he should clarify this point

during the course of his reply. Why should this power be given to the bureaucracy? Through this power, they will unnecessarily poke their nose.

My last point is about the salary and allowances of the members of the Quality Review Board and the Appellate Authority. This has not been provided in this Bill. I know that this cannot be provided in the Bill, but at least some hint should have been given as to which equivalent post they will draw salary and allowances. So, I hope the hon. Minister will clarify these two points during the course of his reply.

With these words, I support this Bill.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): Mr. Chairman, Sir, I thank all the hon. Members who participated in the discussion on the Actuaries Bill and have extended their all-out support to the Bill. Let me assure them that we deeply value the suggestions that they have made and would be guided by the observations of the hon. Members.

Sir, as it has been said here today by the hon. Members participating in this discussion, this is a new legislation. As I said last time, it intends to deal with a subject of immense importance, the importance of which has been further multiplied because of the various fast-moving economic activities in the country and the world over^[k37].

Sir^[Rs38], as has been rightly observed by some of the hon. Members participating in today's discussions, it was important to define the term Actuary in the Act itself and we did it. The Bill, thereafter, went to the Standing Committee. The Standing Committee deliberated upon the provisions of the Bill at length and made a suggestion in this regard as well. They further improved upon the definition of the Actuary and I would be moving an amendment to that effect also today.

As I said, in a participatory democracy, we have to really base our judgement, base our opinion upon the opinions of the hon. Members expressed in the Standing Committee. There is no denying the fact that when any piece of legislation concerning the professionals is enacted, one core element thereof has to be the matters relating to the conduct of the members, relating to integrity.

Shri K.S. Rao very rightly referred to it and he, in fact, wanted me to ensure that emphasis is laid on the monitoring of the provisions of the Bill, when enacted into an Act, and as also to ensure and to do something about as to how the members of the actuarial profession maintain the highest standards of integrity. Precisely to meet that situation, in this Bill itself a clear definite provision in the form of the Schedule has been included, which gives in detail as to what the professional misconduct in relation to members of the institute in practice would be, what the professional misconduct in relation to members of the institute generally would be. It also provides for other misconduct in relation to members of the institute generally. Under that a detailed, if I were to say, prescription has been made as to what the conduct would be. Here taking note of what goes round the world,

we have ensured that in this Bill we also include, just for a sample, I would read a few words from the provisions itself. It is part of the Schedule :

“An Actuary, in practice, shall be deemed to be guilty of professional misconduct if he pays by way of remuneration to an employee, pays or allows or agrees to pay or allow, directly or indirectly, any share, commission or brokerage in the fees or profits of his professional business, to any person other than a member of the institute or a partner or a retired partner or the legal representative of a deceased partner.”

Sir, in detail, very meticulously all that could be construed as a misconduct, all that would be considered undesirable of an Actuary, practising as an Actuary, have been included herein. I am sure, given the hierarchy of the various bodies in the Act itself, which would look after this, which have been charged with the responsibility of maintaining the highest standards of professional conduct, would look into it. The hon. Members need not have any misgiving about it, any doubt about it. We would leave it to the best judgement of theirs that they would act and act decisively if ever unfortunately an occasion arises calling for their intervention.

Sir, Shri Radhakrishnan referred to the provision of an Appellate Authority. Perhaps, he may be right, generally, when we say that when you frame a law, you must have its own independent authorities therein. But then, perhaps, for my benefit, he answered the question himself. He said, “maybe the Government is constrained by expenditure.” I will not say constrained, but that is the factor, which we are guided [\[Rs39\]](#)by.

Keeping in view the fact that the number of actuaries in the country is low, that in the coming years also – even going by the projections that we have – taking it to be 15,000 by the year 2015, even that would be comparatively a smaller number as going by or as compared to the Chartered Accounts we have, the Cost Accountants we have and the Company Secretaries we have. For all those, there are separate independent legislations to govern the conduct of those professions, but for all of them we have the same Appellate Authority. Here, we have not just left at that. It is not that a Chartered Accountant would sit in appeal in deciding a matter relating to an Actuary. It is not so. Kindly see that the definition has been amended in clause 32. Clause 32 of this Bill says:

“The Appellate Authority constituted under sub-section (1) of section 22A of the Chartered Accountants Act, 1949, shall be deemed to be the Appellate Authority for the purposes of this Act...”

Then, there is a proviso that subject to the modification that for clause (b) of that section of the Chartered Accountants Act, the following clause shall be substituted. It reads:

“The Central Government shall, by notification appoint two part-time Members from amongst the persons who have been members of the Council of the Institute of Actuaries for at least one full term and who are not sitting members of the Council;”.

When the matters relating to the Actuaries have to be taken up by that Appellate Authority, the composition of that Appellate Authority would accordingly change to that extent.

There was a point incidentally made in this connection by Shri Ganesh Prasad Singh. माननीय गणेश प्रसाद सिंह जी ने ठीक ही कहा था कि कानून के साथ ताल्लुक रखने वाले भी किसी को होना चाहिए। I am happy to inform the House again, that is the provision of this Act, that is the provision of the other legislation also that for the Appellate Authority the Chairperson has to be a person who has been a Judge of the High Court. It is because of the less work with the Appellate Authority as such, the Government rightly feels that you do not have to have a multitude of Authorities doing very little work all the time. Therefore, when they deal with a particular profession, that clause (b) would stand modified; the people from other profession would move out and the people from the relevant and concerned profession would sit in to decide the matter; no apprehension whatever need to be entertained on that account.

Shri Radhakrishnan also rightly referred to the class of members, that is clause 7. It has taken note of the evolving situation about the profession of Actuaries in the country. Therefore, we have provided for both the associate members as also the fellow members. It says:

“The members of the Institute shall be divided into two classes designated respectively as associates and fellows.”

It has been clearly taken note of.

I must thank Shri Mahtab again for referring to the importance of the definition of ‘Actuary’. There is no denying the fact that in the days to come, the work of Actuary would multiply in our country. It would not just be confined, as he rightly said, to life insurance, crop insurance, it goes further even today to pension. It would expand any number of times. It is precisely for that purpose that we have given a rather lengthy definition of the Actuaries today. Whenever the need arises, if we learn from experience that something has to be modified, we are always open to that. That ought to be so. Any Government of the day is guided by the will of the House, the sense of the House and the things are accordingly done. Today, keeping in view even the future evolution as such, the definition of Actuaries is quite comprehensive and it would take into account all that could possibly be expected of an Actuary.

A question was raised and then rightly answered that this is a subject which cannot just be left to the cooperative societies or to the society that has existed for so long. I must place on record that it has done good job in the given situation. But, today the things are fast changing and in that dynamic world, things have to change.[\[r40\]](#)

When that society was set up, the insurance sector was all nationalized, and the scope was limited for qualified Actuaries. Now on the absence of a law like this, their work was also obviously restricted. It is precisely to provide for that, to facilitate, this has been brought about.

Shri Swain asked: “Why are you bringing in the Government?” Where is the Government not there? The Government has got to be there. I would request with utmost humility that we must not attribute anything to

the Government as such. The Government would come in where only the need is felt. Where is it not there? In the case of capital markets and elsewhere, we have regulators all over. But there is always a provision with the Government because the Government is answerable to the people of this country through the Parliament. It is only because you find the word 'Government', you will be able to raise a question, raise fingers at the people and put the Government in the dock, and make the Government answer your query. That responsibility vests with the Government but limited to that extent only. Once the various bodies are set up under the Act, the Government would not interfere in their day-to-day work. Those authorities are incorporation of the Institute; composition of the Council of the Institute; establishment of the Tribunal for settling elected-related disputes; various Committees of the Council; Disciplinary Committee of the Council; Prosecution Director assisting along with other employees; Disciplinary Committee to arrive at an appropriate decision on the given facts of a case; and the appellate authority. Establishment of the Quality Review Board has been appreciated. The Quality Review Board is again intended to impart that quality to the profession of Actuaries.

I did not see Shri Prabhu earlier. I wish he had also participated in the discussion and made us wiser by his contribution but nevertheless I am grateful that he is here now.

Sir, there was a valid point that when we are talking of discipline, we are talking of standards, the punishment should also be commensurate and the provision should be stringent. That was also the demand made. Sir, after this Bill was introduced in the House, it went to the Standing Committee, and based on the recommendations of the Standing Committee, the Committee has considered all aspects. I am coming forward with certain amendments, notice of which has already been given. Those amendments have been circulated. I would like to refer here to only two amendments, and those relate to this.

Shri Sudhakar Reddy referred to the need to have more stringent punishment. Clause 38, as the Bill was circulated and introduced, provides:

“... shall be punishable on first conviction with fine which may extend to ten thousand rupees and on any subsequent conviction with imprisonment which may extend to six months, or with fine which may extend to twenty-five thousand rupees, or with both. ”

Now, we have substantially enhanced these – ten thousand rupees enhanced to one lakh rupees; six months imprisonment enhanced to one year; and twenty-five thousand rupees enhanced to two lakh rupees.

Similarly, in clause 30, I would be moving another amendment today. Clause 30 says:

“Where the Council is of the opinion that a member is guilty of a professional misconduct mentioned in the Schedule, it shall afford to the member a reasonable opportunity of being heard before making any order against him and may thereafter take any one or more of the following actions, namely: –

(a) reprimand the member; or

- (b) remove the name of the member from the register permanently or for such period, as it thinks fit.”

15.34 hrs

(Mr. Deputy-Speaker *in the Chair*)

The other one that we are adding is: “ to impose such fine as it may think fit, which may extend up to five lakh rupees.”

Sir, we are conscious of the fact that any small act of malfeasance today could have very larger consequences and for that, the level of fine should be deterrent. That should deter a person who thinks of committing some act which could be termed as misconduct under the Act[[lh41](#)].

For that, this fine has been provided.

Sir, a question was raised about the finances of the Institute, which would come into force after this. It is with a sense of great satisfaction that I have to report to the House that even the Actuarial Society of India, which has functioned so far, has been self-sustaining.

Knowing that such an Institute which is now being established, would be self-sustaining, this clause 22 has been added. But to cover any eventuality, to cover any contingency where there may be need of some grant etc., we have provided for that. Section 22 says:

“There shall be established a fund under the management and control of the Council into which shall be paid all moneys (including donations and grants) received by the Council and out of which shall be met all expenses and liabilities incurred by the Council. ”

Subsequently, we say:

“The Council may invest any money for the time being standing to the credit of the fund in any Central or State Government security as it may deem prudent consistent with the considerations of security of such investments and maximum returns thereon. ”

Sir, we rather look forward to a situation where there will be surplus funds with the Institute and the Institute would be rather able to invest those funds, and then utilise the income therefrom on various welfare activities and others, which would, very well lie within the jurisdiction of the Institute to take care of.

Sir, I would say that all that possibly needs to be attended to while framing a new legislation like this one, has been taken care of. As we all say, this is a new legislation, which intends to cover a very fast emerging field of Actuaries. We have been guided in the framing of this law by the similar laws in cases of Chartered Accountants, Cost and Work Accountants and the Company Secretaries. We have learnt from the experiences of those institutes, and based on that, we have framed this law.

I thank the hon. Members for extending support to this Bill, and I can assure them that any suggestion made by them in future would be taken into account by the Government.

Now, I request that the Bill may be passed.

SHRI B. MAHTAB (CUTTACK): Sir, I have a small clarification to seek. I had mentioned about the mortality and morbidity case. It was for establishment of Mortality and Morbidity Investigation Bureau (MMIB). I would like to know from the hon. Minister whether the Government is thinking of establishing the MMIB in the near future. That is not there in the Bill.

SHRI PAWAN KUAMR BANSAL: Sir, I take note of the point raised by the hon. Member. Specifically, this provision is not there. But I can assure him that when the need would arise, the point would always be considered. Presently, it would not be proper for me to comment thereon. But whenever an occasion arises for the Institute; any matter, which falls within the domain, within the jurisdiction of the Institute, the Institute would be fully competent to take note of that and act accordingly.

MR. DEPUTY-SPEAKER: The question is:

“That the Bill to provide for regulating and developing the profession of Actuaries and for matters connected therewith or incidental thereto, be taken into consideration.”

The motion was adopted.

MR. DEPUTY-SPEAKER: Now, the House shall take up clause-by-clause consideration.

Clause 2 - Definitions

Amendments made:

Page 2, for lines 2 to 8, *substitute—*

‘(a) “Actuary” means a person skilled in determining the present effects of future contingent events or in finance modelling and risk analysis in different areas of insurance, or calculating the value of life interests and insurance risks, or designing and pricing of policies, working out the benefits, recommending rates relating to insurance business, annuities, insurance and pension rates on the basis of empirically based tables and includes a statistician engaged in such technology, taxation, employees’

benefits and such other risk management and investments and who is a fellow member of the Institute; and the expression “actuarial science” shall be construed accordingly;’. (4)

Page 2, *after* line 22, *insert*—

‘(k) “President” means President of the Council;’. (5)

Page 2, line 23, *for* “k”, *substitute* “(l)”. (6)

Page 2, line 25, *for* “l”, *substitute* “(m)”. (7)

Page 2, line 26, *for* “(m)” *substitute* “(n)”. (8)

Page 2, *after* line 26, *insert*—

‘(o) “Vice-President” means Vice-President of the Council;’. (9)

Page 2, line 27, *for* “(n)”, *substitute* “(p)”. (10)

Page 2, *after* line 42, *insert*—

‘Explanation.—For the purposes of this sub-section, the expression “company” includes a public financial institution as defined in section 1 of 1956 4A of the Companies Act, 1956.’. (11)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 2, as amended, stand part of the Bill.”

The motion was adopted.

Clause 2, as amended, was added to the Bill[\[KD42\]](#).

Clauses 3 to 8 were added to the Bill.

Clause 9 – Certificate of Practice

Amendment made:

Page 4, for lines 46 and 47, substitute—

“9. (1) No member of the Institute shall be entitled to practice unless he fulfils the qualifications as may be specified and obtains from the Council a certificate of practice. ”. (12)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 9, as amended, stand part of the Bill.”

The motion was adopted.

Clause 9, as amended, was added to the Bill.

Clauses 10 and 11 were added to the Bill.

Clause 12 – Composition of Council of Institute

Amendments made:

Page 5, for lines 38 to 40, substitute—

“(a) a minimum of nine and not more than twelve persons from amongst fellow members to be elected by the fellow and the associate members of the Institute in such manner as may be prescribed:

Provided that a fellow of the Institute, who has been found guilty of any professional or other misconduct and whose name is removed from the Register or has been awarded penalty of fine, shall not be eligible to contest election,—

- (6) in case of misconduct falling under the Schedule of this Act [except Part IV (B)], for a period of three years; or
 - (ii) in case of misconduct falling under Part IV (B) of the Schedule of this Act, for a period of six years,

after the completion of the period of removal of name of the fellow from the Register or the payment of fine is made, as the case may be; and

(b) (i) an officer not below the rank of Joint Secretary to the Government of India, to be nominated by the Central Government to represent the Ministry of Finance; ”. (13)

Page 5, line 41, *for* “(b)(i)”, *substitute* “(ii)”. (14)

Page 5, line 44, *for* “(ii) not more than three persons”, *substitute* “(iii) not more than two persons”. (15)

Page 6, line 4, *for* “holding an office of profit”, *substitute* “holding a post”. (16)

Page 6, *for* lines 7 to 12, *substitute*—

“(4) One-third of the members of the Council referred to in clause (a) of sub-section (2) shall retire as soon as may be on the expiration of every second year by rotation but shall be eligible for re-election.

(7) Any person nominated under clause (b) of the sub-section (2) shall hold office for a period of six years from the date of his nomination unless he is removed earlier by the Central Government and shall be eligible for re-nomination:

Provided that he shall be given an opportunity of being heard before such removal.”. (17)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 12, as amended, stand part of the Bill.”

The motion was adopted.

Clause 12, as amended, was added to the Bill.

Clause 13 was added to the Bill.

Clause 14 – Re-election to Council

Amendments made:

Page 6, *for* lines 23 and 24, *substitute*--

“14. (1) Subject to the provisions of sub-section (2), a member of the Council elected under clause (a) of sub-section (2) of section 12 shall be eligible for re-election but not for more than two consecutive terms.”. (18)

Page 6, line 26, *for* “re-election”, *substitute* “election or nomination”. (19)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 14, as amended, stand part of the Bill.”

The motion was adopted.

Clause 14, as amended, was added to the Bill.

Clause 15 was added to the Bill.

Clause 16 – Establishment of Tribunal

Amendment made:

Page 6, *for* line 39, *substitute*—

“term and who is not a sitting member of the Council or who has not been a candidate in the election under dispute; and ”. (20)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 16, as amended, stand part of the Bill.”

The motion was adopted.

Clause 16, as amended, was added to the Bill.

Clause 17 – President, Vice-President and Honorary Secretary

Amendment made:

Page 7, line 5, for “another member”, substitute “one of the member”. (21)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 17, as amended, stand part of the Bill.”

The motion was adopted.

Clause 17, as amended, was added to the Bill[\[m43\]](#).

Clause 18 – Resignation from membership and filling up of Casual Vacancies

Amendments made:

Page 7, for lines 28 and 29, substitute –

“member or he has been found guilty of any professional or other misconduct and awarded penalty of fine or if his name is, for any cause, removed from the Register under the provisions of sections 24 and 30.”. (22)

Page 7, for lines 30 to 35, substitute –

“(3) A casual vacancy in the office of a member of the Council shall be filled by fresh election or by nomination by the Central Government, as the case may be, and the person elected or nominated to fill the vacancy shall hold office only for the remainder of the term for which the member in whose place he was elected or nominated would have held that office:

Provided that no election shall be held to fill a casual vacancy occurring within one year prior to the date of the expiration of the term of such member.”. (23)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER : The question is :

“That clause 18, as amended, stand part of the Bill.”

The motion was adopted.

Clause 18, as amended, was added to the Bill.

Clause 19 – Functions of Council

Amendment made:

Page 8, *for* lines 21 and 22, *substitute* –

“(n) the carrying out, by granting financial assistance to persons other than members of the Council, or in any other manner, of research in the actuarial science;”.

(24)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER : The question is :

“That clause 19, as amended, stand part of the Bill.”

The motion was adopted.

Clause 19, as amended, was added to the Bill.

Clause 20 was added to the Bill.

Clause 21 – Committees of Council

Amendment made:

Page 8, *after* line 31, *insert* –

“Provided that the number of co-opted members shall not exceed one-third of the total membership of the committee.”.

(25)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER : The question is :

“That clause 21, as amended, stand part of the Bill. ”

The motion was adopted.

Clause 21, as amended, was added to the Bill.

Clause 22 – Finances of Council

Amendments made:

Page 9, *for* line 9, *substitute* –

“fund in any security as it may deem prudent consistent with the” (26)

Page 9, *after* line 10, *insert* –

“Explanation. – For the purposes of this sub-section, the expression “Securities” shall have the meaning assigned to

42 of 1956. it in section 2 of the Securities Contracts (Regulation) Act 1956, as amended from time to time.”. (27)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER : The question is :

“That clause 22, as amended, stand part of the Bill. ”

The motion was adopted.

Clause 22, as amended, was added to the Bill.

Clauses 23 to 26 were added to the Bill.

Clause 27 – Appointment of Prosecution Director

Amendment made:

Page 10, *for* lines 30 and 31, *substitute* –

“other employees to assist the Disciplinary Committee in making inquiries in respect of any information or complaint received by the Council under the provisions of this Act.”.

(28)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER : The question is :

“That clause 27, as amended, stand part of the Bill. ”

The motion was adopted.

Clause 27, as amended, was added to the Bill[\[krr44\]](#).

Clause 28 – Authority, Council, Disciplinary Committee and Prosecution Director to have powers of civil court

Amendment made:

Page 10, lines 34 and 35, *omit* “the Council”. (29)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 28, as amended, stand part of the Bill.”

The motion was adopted.

Clause 28, as amended, was added to the Bill.

... *(Interruptions)*

MR. DEPUTY-SPEAKER: What is wrong there?

... *(Interruptions)*

MR. DEPUTY-SPEAKER: You are more than sufficient.

Clause 29 – Action by Council on Disciplinary Committees Report

Amendment made:

Page 11, line 6, *for* “Director to”, *substitute* “Director or itself”. (30)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 29, as amended, stand part of the Bill.”

The motion was adopted.

Clause 29, as amended, was added to the Bill.

Clause 30 – Member to be afforded opportunity of being heard

Amendments made:

Page 11, line 7, *for* “a professional”, *substitute* “a professional or other”. (31)

Page 11, *after* line 13, *insert*—

“© impose such fine as it may think fit, which may extend to five lakh rupees.”.

(32)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 30, as amended, stand part of the Bill.”

The motion was adopted.

Clause 30, as amended, was added to the Bill.

Clause 31 – Professional and other misconduct defined

Amendment made:

Page 11, *for* lines 17 to 21, *substitute*—

Professional or other misconduct defined.

“31. For the purposes of this Act, the expression “professional or other misconduct” shall be deemed to include any act or omission provided in the Schedule, but nothing in this section shall be construed to limit or abridge in any way the power conferred or duty cast on the Disciplinary Committee or the Prosecution Director to inquire into the conduct of any member of the Institute under any other circumstances.”. (33)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 31, as amended, stand part of the Bill.”

The motion was adopted.

Clause 31, as amended, was added to the Bill.

Clause 32 – Constitution of Appellate Authority

Amendments made:

Page 11, line 27, *for* “has been”, *substitute* “had been”. (34)

Page 11, line 30, at the end, *insert* “and who are not sitting members of the Council”. (35)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 32, as amended, stand part of the Bill.”

The motion was adopted.

Clause 32, as amended, was added to the Bill.

Clause 33 – Term of Members of Authority

Amendment made:

Page 11, line 31, *for* “a term of five years”, *substitute* “a term of three years”; (36)
(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 33, as amended, stand part of the Bill.”

The motion was adopted.

Clause 33, as amended, was added to the Bill.

Clause 34 – Procedure etc. of Authority

MR. DEPUTY-SPEAKER: The question is:

“That clause 34 stand part of the Bill.”

The motion was negated[\[S45\]](#).

Clause 35 – Officers and other staff of Authority

Amendment made:

Page 11, *for* lines 38 to 40, *substitute* --

Procedure, etc., of Authority.

“35. The provisions of section 22C, section 22D and section 22F of the Chartered Accountants Act, 1949 shall apply to the Authority in relation to allowances and terms and conditions of service of its Chairperson and members, and in discharge of its functions under this Act as they apply to it in the discharge of its functions under the Chartered Accountants Act, 1949.” (37)

38 of 1949
(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 35, as amended, stand part of the Bill.”

The motion was adopted.

Clause 35, as amended, was added to the Bill.

Clause 36 – Appeal to Authority

Amendment made:

“Page 11, line 44, *for* “made available to”, *substitute* “of”. (38)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 36, as amended, stand part of the Bill.”

The motion was adopted.

Clause 36, as amended, was added to the Bill.

Clause 37 – Penalty for falsely Claiming to be a member, etc.

Amendments made:

“Page 11, line 46, *for* “within thirty days”, *substitute* “within ninety days”.

(39)

“Page 12, for line 2, substitute “period of ninety days, if it is satisfied that there was sufficient cause for not”. (40)

Page 12, for lines 12 to 15, substitute --

“Provided that the Authority shall give an opportunity of being heard to the parties concerned before passing any order.”. (41)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 37, as amended, stand part of the Bill.”

The motion was adopted.

Clause 37, as amended, was added to the Bill.

Clause 38 – Companies not to engage in actuarial practice

Amendment made:

Page 12, for lines 27 to 29, substitute --

“shall be punishable on first conviction with fine which may extend to one lakh rupees, and on any subsequent conviction with imprisonment which may extend to one year, or with fine which may extend to two lakh rupees, or with both.”. (42)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 38, as amended, stand part of the Bill.”

The motion was adopted.

Clause 38, as amended, was added to the Bill.

Clauses 39 to 43 were added to the Bill.

Clause 44 – Functions of Board

Amendments made:

Page 13, line 36, *for* “Chairman”, *substitute* “Chairperson”. (43)

Page 13, line 38, *for* “the Board”, *substitute* “the Council”. (44)

Page 13, *for* lines 39 to 41, *substitute* --

“(2) The Chairperson and Members of the Board shall be appointed from amongst the persons of eminence having experience in the field of law, education, economics, business, finance, accountancy or public administration.”. (45)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 44, as amended, stand part of the Bill.”

The motion was adopted.

Clause 44, as amended, was added to the Bill.

Clauses 45 and 46 were added to the Bill.

Clause 47 – Expenditure of Board

Amendment made:

“Page 14, line 5, *for* “Chairman”, *substitute* “Chairperson”. (46)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 47, as amended, stand part of the Bill.”

The motion was adopted.

Clause 47, as amended, was added to the Bill.

Clauses 48 to 54 were added to the Bill[\[ak46\]](#).

16.00 hrs

Clause 55 – Power of Central Government to make rules

Amendment made:

Page 15, line 26, *omit* “Chairman”. (47)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 55, as amended, stand part of the Bill.”

The motion was adopted.

Clause 55, as amended, was added to the Bill.

Clause 56 – Power to make regulations

Amendments made:

Page 15, *omit* lines 44 and 45. ____ (48)

Page 15, line 46, *for* “(g)”, *substitute* “(f)”. ____ (49)

Page 16, line 1, *for* “(h)”, *substitute* “(g)”. ____ (50)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 56, as amended, stand part of the Bill.”

The motion was adopted.

Clause 56, as amended, was added to the Bill.

Clause 57 – Power of Central Government to issue directions for making or amending regulations

Amendments made:

Page 16, *for* lines 19 and 20, *substitute--*

“(g) qualifications required for a certificate of practice under sub-section (1) and the form in which an application may be made under sub-section (2) of section 9;”. (51)

Page 16, *omit* lines 21 and 22. (52)

Page 16, line 23, *for* “(i)”, *substitute* “(h)”. (53)

Page 16, line 25, *for* “(j)” *substitute* “(i)”. (54)

Page 16, line 26, *for* “(k)”, *substitute* “(j)”. (55)

Page 16, line 28, *for* “(l)”, *substitute* “(k)”. (56)

Page 16, line 30, *for* “(m)”, *substitute* “(l)”. (57)

Page 16, line 32, *for* “(n)”, *substitute* “(m)”. (58)

Page 16, line 34, *for* “(o)”, *substitute* “(n)”. (59)

Page 16, line 36, *for* “(p)”, *substitute* “(o)”. (60)

Page 16, line 38, *for* “(q)”, *substitute* “(p)”. (61)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 57, as amended, stand part of the Bill.”

The motion was adopted.

Clause 57, as amended, was added to the Bill.

Clauses 58 to 60 were added to the Bill.

The Schedule

Amendment made:

Page 19, *after* line 40, *insert--*

“PART IV

Other misconduct in relation to member of the Institute generally

A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if--

(A) (1) he is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term not exceeding six months;

(2) in the opinion of the Council, he brings disrepute to the profession or the Institute as result of his action whether or not related to his professional work;

(B) he is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term exceeding six months.”. (62)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That the Schedule, as amended, ~~do~~ stand part of the Bill.”

The motion was adopted.

The Schedule, as amended, was added to the Bill.

Clause 1

Amendments made:

Page 1, line 4, for “2005”, substitute “2006”. _____(2)

Page 1, for line 10, substitute--

“a reference to the commencement of that provision.”. _____ (3)

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That clause 1, as amended, stand part of the Bill.”

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

Amendment made:

(Shri Pawan Kumar Bansal)

MR. DEPUTY-SPEAKER: The question is:

“That the Enacting Formula, as amended, stand part of the Bill.”

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill[\[R47\]](#).

SHRI PAWAN KUMAR BANSAL: Sir, I beg to move:

“That the Bill, as amended, be passed.”

MR. DEPUTY-SPEAKER: The question is:

“That the Bill, as amended, be passed.”

The motion was adopted.

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THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION AND BROADCASTING (SHRI PRIYA RANJAN DASMUNSI): Sir, I have a small submission to make. We are scheduled to take up discussion on the report of Justice Mukherjee Commission of Inquiry now. However, if you allow the hon. lady Minister for just two minutes she will make a preamble on the Juvenile Justice (Care and

Protection of Children) Amendment Bill, 2005. After her preamble, discussion on Item 25 could be taken up. Debate on the Bill can be concluded afterwards.

श्री मोहन सिंह (देवरिया) : उपाध्यक्ष महोदय, सुबह यह बात उठी थी और अध्यक्ष महोदय ने यह निर्देश दिया था... (ब्यवधान)

श्री प्रियरंजन दासमुंशी : हम उस बात से इंकार नहीं कर रहे हैं, पेट्रोलियम मंत्री जी अपनी तैयारी कर रहे हैं। श्रीमती रेणुका चौधरी केवल विधेयक का प्रस्ताव करेंगी और चर्चा बाद में हो जाएगी। इसमें केवल दो मिनट लगेंगे।