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SEBI issues Consultation paper on “Review of Regulatory Provisions related to Independent Directors”

SEBI has over the years, strengthened the institution of independent directors (IDs) through the recommendations of various committees as also through stakeholder consultations. However, concerns around the efficacy of independent directors as a part of corporate governance framework continue. There is therefore a need to further strengthen the independence of IDs and enhance their effectiveness in the protection of interests of minority shareholders and performing other functions.

In this context, a Consultation Paper on “Review of Regulatory Provisions related to Independent Directors” has been issued by SEBI today for public comments. The Consultation Paper seeks views of the public on proposals including broadening the eligibility criteria for IDs, process of appointment / re-appointment and removal of IDs, enhancing transparency in the nomination and resignation of IDs, strengthening the composition of Board Committees, etc. Additionally, views are sought on the need for review of remuneration of IDs.

The Consultation Paper is open for public comments till April 01, 2021 and can be accessed on the SEBI website www.sebi.gov.in under the link Reports & Statistics -> Reports -> Reports for Public Comments.

Mumbai
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