

# INVESTOR PROTECTION IN INDIA AND UK – COMPARATIVE STUDY

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## Abstract

Investor Protection is the most relevant factor in the securities Market. The echo of investor protection is about the amount of informed knowledge the investors are getting before doing any kind of investment. The regulator claims Investor Protection, but they must check that the investors should be fully informed about their purchases, transactions, and affairs with issuers. The Law created by the government and various authorities should not only be sufficient but should also be implemented in an effective way.

Investor confidence is the requirement of the vibrant capital market. And this confidence of the investors is created by an efficient regulator of the capital market. A wealthy investor should take the right choice in the securities market for which there will be sufficient capital formation in the economy. So, the role of the regulator in the capital market is created to enhance the investor confidence through various rules, regulations, education, and awareness in the market.

Though both countries like India and the United Kingdom differs from many aspects, India has adopted many laws of the United Kingdom and implemented for the upliftment of the country. This article first describes the historical background of law relating to Investor protection in the financial market of India and the United Kingdom. It also describes the current regulator and what steps are being taken to protect the interests of investors by both countries. The comparison also describes the grievances cell for the investors and the awareness they create about the investment they do in the financial market. If an investor is aware of its risk, rules and regulation in the country it can be well protected. The comparison also identifies the significance of Investor awareness and education towards the risk of investment they are making in the securities market.

**Keywords:** Investor, Investor Protection, Securities, Securities Market, Regulators, Investor Education, Grievance forum

## I. INTRODUCTION

An investor is anyone who invests money in business entity with the aim of gaining return.<sup>1</sup> Investing in securities market serves the purpose of both the investor as well as the business

entity. The investor gets the opportunity to earn while the business entity gets the capital it requires to run the business. Investors play a very crucial role in the growth of economy of a country. They help a company to grow and succeed which in turns affect the economy.

Investments are the sole differentiate between developed, developing, and under-developed economies. Thus, investors are very important, and it is necessary to protect them from risks. If the investors are well protected, it will increase their confidence and encourage others to follow suit and become investors.

To protect the investors, there needs to be certain set of laws and rules for business entities to follow. These legislations are not perfect as various scams take place despite them. However, new legislation is created, and old ones are amended to ensure that the investors are given their due protection and so that the scams are never repeated.

In India, we have the Securities and Exchange Board of India (SEBI) Act which came into effect in 1992 while in the United Kingdom (UK) we have the Financial Services and Markets Act which came into effect in 2000. Both these acts provide for the setup of regulators which

regulates the market and improve investor protection.

## **II. Regulators of capital market in India and UK**

The regulator of capital and securities market in India is SEBI which comes under the jurisdiction of Ministry of Finance, Government of India. The primary role of SEBI is to create an effective environment which is allocated with resources and provides facilities to both the market participants and investors. In UK the financial regulatory body is Financial Conduct Authority (FCA) which operates independently. The primary role of FCA is to regulate every individual, firm or company which are related to the financial services in UK. It basically focuses on three main objectives: To maintain the standard UK financial system, checking that the consumers are fully protected and fairly treated and ensuring fair completion in the financial industry to benefit all.

**Table 1**

<b>SEBI - Securities and Exchange Board of India</b>	<b>FCA - Financial Conduct Authority</b>
SEBI was incorporated on 12th April 1988 and the statutory powers was given on 30th January 1992.	The FCA was established on April 1, 2013
Governed under SEBI Act 1992	Governed under Financial Services and Markets Act 2000
The management board of SEBI consist of Chairman, two official member of Central Government who deals with the Finance, one member from the Reserve Bank and the central government appoints five members among which three shall be whole time members.	The management board of FCA consist of Chief Executive who is appointed by the HM Treasury; the Secretary of State for Business, Innovation and Skills and the Treasury appoints two non-executive members among which at least one shall be appointed by the Treasury. Most of the Board members consist of Non-Executive Directors.

## **III. POWERS OF REGULATORS**

In India, SEBI has three main powers rolled into one body which is quasi-legislative, quasi-judicial and quasi-executive. This gives SEBI the power to formulate rules and regulation for protecting the rights of the investors. Also, they

have the power to pass judgement and verify any books of accounts if there any kind of misconduct or violation. In UK, FCA has the power to regulate companies that handle the management the finance and has the power to enforce rules over the individuals or companies that breach their duties.

**Table 2**

SEBI - Securities and Exchange Board of India	FCA - Financial Conduct Authority
SEBI has the power to regulate the stock exchanges in the securities market, insider trading, functions of merchant bankers, registration of brokers, mutual funds, unfair trade practices which relates to securities, and which relates to regulation of acquisition of companies and shares. <sup>2</sup>	FCA has the power to regulate the conduct of financial firms and markets in UK. The authority ensure that the market is running fairly for all individuals and all of its investor's rights are well protected and save guarded. <sup>3</sup>
The authority has the power to impose monetary penalties and can also impose suspension of registration for a period in capital market. <sup>4</sup>	If the company or an individual doesn't meet the standard set by the FCA, they possess power to issue caution and impose monetary penalties. They also apply for insolvency, winding up, injunction and restriction order from relevant courts.
They frame rules and regulation, code of conduct for efficient working of financial market.	The authority has comprehensive power to enforce its directive command and rulemaking for proper functioning of financial market.
They build an investigation team to check the proper functioning of the financial.	They build an official team which conduct investigate and penalize UK businesses for breaching financial regulations. <sup>5</sup>
SEBI is government funded as it comes under the jurisdiction of Ministry of Finance, Government of India.	FCA does not receive any government funding as it is independent, so it has the power to raise fees. <sup>6</sup>

**IV. LEGISLATION**

Salmond defined Legislation as "...source of law which comprises in the assertion of lawful standards by a competent specialist".<sup>7</sup> The Cambridge Dictionary defines Legislation as "rules or laws relating to a particular activity that are made by a government"<sup>8</sup>

In India there is the SEBI Act, 1992 while in the UK there is the Financial Services and Markets Act, 2000 (FSMA). These acts lay down provisions for regulating various market regulated activities in the respective countries.

**Table 3**


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Legislations in India	Legislations in UK
The SEBI Act, 1992	The FSMA, 2000
Before this Act, <sup>9</sup> there were three principal Acts that governed the securities markets. These were: (a) the Capital Issues (Control) Act, 1947 (b) the Companies Act, 1956 the Securities Contracts (Regulation) Act, 1956	The Securities and Investments Board (SIB) was the regulatory body till 1997. <sup>10</sup> When the banking supervision and investment services regulation was merged SIB became FSA by changing its name. After the implementation of the Act several other responsibilities which till now were being dealt by various other organizations, were now transferred to Financial Conduct Authority (FCA) making it the sole regulatory body.
The Act deals with the formation and various powers of SEBI including registration of intermediaries, investigation, and imposition of penalties.	The Act not only deals with the formation and powers of FCA and PRA but also deals with provisions regarding various intermediaries, compensation scheme, ombudsman, grievances, etc.
Do not have any financial compensation scheme	Has a Financial Services Compensation Scheme
Provides for Self-Regulatory Organizations (SRO) through Regulations such as the SEBI (SRO) Regulations, 2004	When the Act came into power, the regulatory functions of SROs came to an end and the Financial Services Authority (FSA) became the single regulator for the UK financial services industry. Then power was transferred to FCA. <sup>11</sup>

## V. GRIEVANCE

A successful grievance mechanism is necessary at the financial and business level to guarantee the conservation of the interest of the Investor. There might be a situation where the grievance has been

registered against a listed company or its intermediaries. On such occasion, it is important to address the grievance of the investors. There are various ways to address a grievance of an investor.

**Table 4**

Grievance Mechanism in India	Grievance Mechanism in UK
In India, the financial services compensation scheme is not available for the investors but there are several other redressal cells to address investor grievances. With respect to stock exchange, there are Investor Service Cell and Investor Grievance Redressal Committee. Their functions are:	In the U.K. there is no grievance mechanism as India has but FCA has provided various steps <sup>14</sup> in their website to address the grievances which includes Financial Services Compensation Scheme and Financial Ombudsman Scheme. Their functions are as follows:

<p>(i) Investor Services Cell (ISC) – If the complaint is against a stockbroker, listed company or a depository then in ISC, the stock exchanges are advised to address the complaint within fifteen days.<sup>12</sup></p> <p>(ii) Investor Grievance Redressal Committee (IGRC) – The complaint not rectified by ISC gets alluded to IGRC. In not more than 15 days, IGRC solves the investor grievance. If it fails to do so, IDRC determines the value of the claim permissible to the investor and the said amount is obstructed in IPF. After this, the investor is given seven days from the date of IGRC to notify whether he would go for arbitration.<sup>13</sup></p>	<p>(i) Part XV of the Act provides Financial Services Compensation Scheme (FSCS). FSCS protects the consumers of financial firms that have failed. The main purpose of creating such a scheme is to grant compensation to customers of financial firms authorized by or regulated under the Act. The compensation will be provided when such firms are unable to satisfy the claims of their customers.<sup>15</sup></p> <p>(ii) The compensation will be granted only in respect of regulated activities. The costs of FSCS are basically divided into compensation costs and management costs. FSCS is funded by the financial service industry itself. The firms authorized by the regulators (FCA and PRA) pays a fee on a yearly basis. Thus, the firms, on whose failure to pay claims the FSCA steps in to protect the investors, pay for the running of FSCS.<sup>16</sup></p>
<p>With respect to SEBI, there are two systems. One among them is SCORES system, which addresses the investor grievances as unlike U.K. the Ombudsman scheme has not been implemented properly in India. Their functions are:</p> <p>(i) Office of Investor Assistance and Education – SEBI has a department that receives the grievance and provides relief by the way of education.<sup>17</sup></p> <p>SEBI Complaints Redress System: It is an internet-built redressal structure that is 24x7 available to investors. The most peculiar feature is one can track the status of the complaint by logging in to the distinctive complaint registration number and provides for sending reminders. It is a unique tool for investors to address the grievance regarding capital market complaints. It is a system that stresses investor advocacy as it is more inclusive than the UK Ombudsman model. Firstly, it is an open scheme where the investors can directly approach SEBI before exhausting other bilateral redressal avenues. Moreover, it has no restrictions.<sup>18</sup></p>	<p>Financial Ombudsman Scheme is an independent body which has been established to address the grievance between the financial entities and its customers. The function of the Scheme is:</p> <p>(i) The FOS is the scheme set up under Part XVI of the FSMA 2000, under which certain questions might be settled rapidly and with the least convention by an independent person. It is autonomous and fair-minded assistance, and its decision making is independent of the FCA.<sup>19</sup></p> <p>The FOS manages grievances between a firm and a client when they can't resolve the protest between themselves. The FOS functions in two jurisdictions, one is voluntary, and another is compulsory. If the complaint falls under or is eligible under FOS, then it shall be dealt under compulsory jurisdiction and the complaints not falling under compulsory jurisdiction are dealt under voluntary jurisdiction.<sup>20</sup></p>

In the case of **S.S. Forgings & Engineering Ltd. v. SEBI**<sup>21</sup>, the Appellate body, i.e., SAT upheld the order of SEBI to impose fine on a company which failed to redress grievances of investors. SAT reiterated the importance of investors and importance of redressal of grievances of investors. Such redressal must be made within the time as specified by SEBI otherwise SCORES will lose its sanctity.

## VI. OMBUDSMAN

In UK the ombudsman service is provided in the form of the Financial Ombudsman Service (FOS). The FOS deals with problems relating to bank account payment, home, car travel and other types of insurance. It also deals with payment protection, insurance, mortgages, debt collection and repayment problems too. The FOS is a statutory dispute resolution scheme set up under Part XVI and Schedule 17 of the FSMA, 2000.<sup>22</sup>

Reserve Bank of India, in 1995 introduced the Banking Ombudsman Scheme with the consideration to improve Customer services<sup>23</sup>. This inspired SEBI in 2003 to constitute a legal advisory committee for framing the ombudsman regulation for the capital market pursuant to their function under Section 2 of the SEBI Act, 1992. The committee drafted a concept paper on the ombudsman, and such was put up on their website to invite criticism from the public.

Despite this SEBI has not been able to successfully implement the ombudsman scheme<sup>24</sup>. The powers given to the ombudsman scheme at that of a Quasi-judicial body. The ombudsman's powers included weighing into matters of failure to redeem debentures or non-payment of interest on them. This matters where ultra vires to SEBI and fall under the jurisdiction of the Companies Act. Thus, even after having an ombudsman system, SEBI must redresses investor grievances through other means such as the SCORES system.

**Table 5**

Ombudsman Service in India	Ombudsman Service in UK
The SEBI(Ombudsman) Regulations, 2003 provide the SEBI Board to establish the office of ombudsman. The regulations further provide that the Board can on recommendation of a Selection Committee select one or multiple ombudsmen in a particular territorial jurisdiction. This Selection Committee will consist of members who are an expert in the area relating to financial market operations and with special knowledge of law finance or economics. <sup>25</sup> The selection committee will also have a representative of the SEBI Board who will be the Secretary of the Selection Committee. <sup>26</sup>	The Financial Services and Markets Act, 2000 provides for the Scheme Operator to have a board and a chairman. The board members are the Scheme Operator's directors. <sup>28</sup> The scheme operator had to appoint and maintain a panel of persons who are to act as ombudsman and appoint a chief ombudsman for the purposes of the scheme. The Act further mentions that the scheme operators are not acting on behalf of the crown, and neither are the panel members, servants of the Crown. <sup>29</sup>

<p>The Selection committee can also construct a panel to act as Stipendiary Ombudsman who will deal with specific matters.<sup>27</sup></p>	
<p>The powers provided by the ombudsman regulation state that the ombudsman has the power to receive complaints from a listed company or any intermediary.</p>	<p>The Financial Ombudsman Scheme deals with complaints in a twofold manner. It can do so either under compulsory jurisdiction or under voluntary jurisdiction.</p>
<p>This power also includes the power to facilitate resolution by way to amicable settlement or approve of such a settlement or adjudicate upon a complaint in case amicable settlement is not possible.<sup>30</sup> The ombudsman power also includes drawing up a budget and annual report for his office.<sup>31</sup></p>	<p>In UK, the firms can be authorized under the FCA to deal with complaints. If the resolution to those complaints as provided by the firms are not deemed to be adequately resolved and if those complaints are eligible, they are dealt by way of the ombudsman scheme's compulsory jurisdiction. Further, it must be remembered that compulsory jurisdiction-disputes must be accepted by the firms mandatory. There is no such requirement for voluntary jurisdiction. Despite this fact, customers can however move the civil court if they deem fit.<sup>32</sup></p>
<p>The ombudsman regulations provide that in case the disputed matter is not resolved mutually, the ombudsman will weigh the material and after a fair hearing award on the dispute. He will also give other directions as may be required.<sup>33</sup> In case there is a substantial miscarriage of justice or an error in the award the parties to the dispute can move a petition to the SEBI board.<sup>34</sup></p>	<p>If the FOS after dealing with a complaint, decide in favour of the complainant they can either provide an award against the respondent or take steps against the respondent which includes an order of injunction.<sup>35</sup></p>
<p>The ombudsman has the power to award a reasonable compensation up until date of satisfaction of the award. This award can also include the cost of the proceedings if they deem fit.<sup>36</sup></p>	<p>Under the Act the scheme operator can empower an ombudsman to award cost. The ombudsman can award cost against the complainant if their conduct was improper or unreasonable or they had caused unreasonable delay.<sup>37</sup></p>
<p>The regulation provides the ombudsman with the power to call for information and certified document from a person which is required in the proceedings, which is either in the possession of</p>	<p>The Act provides that require the parties to the complaint to provide information by notice. They can also specify the time under which such document or information has to be secured.<sup>39</sup></p>

the person or is alleged to be in the possession of the person. <sup>38</sup>	
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Any challenges to a decision of Financial Ombudsman Service (FOS) can be made by an application of judicial review. In **R v. FOS**<sup>40</sup>, the Court held that not only the discretion of FOS is very wide, but FOS can consider factors that have not been complained of by the complainant. In this case, a certain customer had invested in a portfolio. She did that as she was told that it was of “medium risk”. It was argued by the Respondent (now the appellant) that the portfolio was indeed of “medium risk” according to the report which was prepared and accepted by FCA. However, FOS held that the portfolio was not suitable for the investor on a ground which was not included in the complaint. FOS judicially reviewed the decision, but the Court upheld the decision of FOS.

## VII. OFFENSES

To protect the investor interest, certain illegal activities like insider trading need to be prevented. In India and U.K., insider trading is illegal but however the gravity of punishment is different.

**Table 6**

India	UK
In India, insider trading is treated as a criminal offence, however, SEBI Act and Companies Act, 2003 has prescribed both civil and criminal penalties. <sup>41</sup>	In U.K. insider trading is acknowledged as a criminal as well as a civil offence and both are dealt under different statutes, that is, FSMA 2000 and Criminal Justice Act, 1993. <sup>42</sup>
Under Section 15G of the SEBI Act, if an insider has for his sake or dealt for the sake of the company any kind of unpublished information, has given any price sensitive information or persuaded any individual to trade securities of somebody will be liable for a fine of rupees twenty-five crore or three times the gain made, whichever is excessive. <sup>43</sup>	Under FSMA 2000, the FCA is empowered to impose a civil penalty which includes an unlimited pecuniary penalty, issuing of a public declaration that the individual or the person is involved in market abuse, appeal to the court to prevent perused market abuse or for an injunction or a freezing order, appeal to the court for an order for restitution and finally requisite the amount of compensation to the aggrieved. <sup>44</sup>
Nonetheless, Section 24 of the Act <sup>45</sup> , it prescribes if the awards for the penalties are not met or there is any contravention to the provisions, then there shall be liability for punishment of ten years imprisonment or fine which may increase to rupees twenty five crore or both. <sup>46</sup> Section 195	Under the criminal jurisdiction, if a person is found culpable of insider dealing, that person is punishable for an in-exhaustive fine or imprisonment for a period not more than six months on summary sentence, or seven years on sentence on accusation. <sup>48</sup>



of the Companies Act, 2013 which prescribes punishment of five years of imprisonment or a fine of five lakh rupees which may extend to rupees twenty-five crore or three times the profit made out of inside trading, whichever is excessive or both. <sup>47</sup>	
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The Satyam Scandal became known in the month of January 2009 when a letter by B. Ramalinga Raju, who was Founder and Chairman of Satyam Computers Services Limited was printed in the Times of India newspaper. In that letter of confession, Raju admitted to manipulating his books of records by exaggerating assets by Rs. 2161 crore, downplaying liabilities by Rs. 1020 crore, including non-existent interest worth Rs. 376 crore and escalating cash reserves by Rs. 5040 crores. Notwithstanding this, Raju acquired loans worth Rs. 2000 crore from NBFC's by discharging shares worth crore unlawfully onto front organizations to depict a preferred monetary condition than the reality. There were charges of cash laundering imposed on Raju because he utilized the wrongfully acquired cash from NBFC's for the reason for buying land. The entire scandal cost the business sectors around Rs. 14, 000 crore.

Consequently, SEBI held Ramalinga Raju and 9 other associates which included the managing director B. Rama Raju, CFO Vadlamai Srinivas, Vice President G. Ramakrishnan, and head on Internal Audit V.S. Prabhakara Gupta guilty of insider trading and unfair trade practices and imposed a penalty of Rs. 1850 crore.

In the case of **R (Financial Conduct Authority) v. Fabiana Abdel-Malek & Walid Choucair**<sup>49</sup>, Ms Abdel-Malek in 1982 was working as a senior compliance officer by UBS AG in their London office and manhandled her situation to access inside information on UBS AG compliance

system which she passed to her family companion MrChoucair, an accomplished day trader of financial securities.

After investigation by FCA and preliminary at Southwark Crown Court, in 2019, both were convicted of offense of insider dealing and sentenced to three years imprisonment.

### VIII. INVESTOR EDUCATION AND AWARENESS PROGRAMS

Investor education is considered as a fundamental segment of financial education that focuses on the populous who contribute or could have the financial capacity to invest in the securities market, mostly including both subsisting and potential investors. Keeping in mind the circumstances of the country and empowering them to engage safely in the market. Consequently, investor education policies and activities are additionally a supplement to investor protection and financial market regulation with a perspective to assisting healthy and transparent markets growth and development and long-term financial prosperity.

There were instances where the stock exchange scams happened and many other irregular activities where the investors lost their confidence in the market. It became important to spread awareness of such scams through awareness programs. Thus, India and UK, to prevent scams and protect investor interests, have taken an initiative to start and promoting investor awareness programs.

**Table 7**

Investor Awareness Programs in India	Investor Awareness Programs in UK

In India, Investor Awareness programs are conducted regularly by the stock exchanges to educate the investor and to spread awareness regarding the capital market working as well as of working of stock exchanges.	In UK, FCA is supported by Money Advice Service (MAS) which plays an important role in providing financial education educations to the age group below 18 as well as to the ones between the age of 18 to 25. The point is to furnish these youngsters with a strong establishment for building sound monetary conduct and to support their utilization of the Money Advice Service.
SEBI is imparting education on financial concepts and products to young investors, school children, middle-aged, executives and retired persons through resource persons.	The materials to assist investor education are provided by the financial services sector as an element of Corporate Social Responsibility (CSR).
In 2003, SEBI organized the Securities Market Awareness Campaign where the market regulators were called upon to learn lessons from the past years and to stop stock market scams.	In 2009, Money Guidance Pathfinder was initiated to conduct free money advice services covering the topic of budgeting, protection of investment and borrowings and welfare benefits which proved to be a success.
The “government has set up an Investor Education and Protection Fund (IEPF) under Section 125 of the Companies Act 2013, to promote awareness among investors and to protect their interest. Under this unclaimed Funds on account of dividends, matured debentures, and deposits, etc. are transferred through IEPF to the Government by the company on completion of seven” years. In 2020, SEBI launched SMARTs program to promote investor awareness.	In the UK, regular meetings take place supervisory authority and financial services consumer panel, Financial Ombudsman Service and MAS to coordinate investor protection initiative. In 2014 Scam Smart Campaign was launched to spread awareness and help consumers with knowledge and tools to beware them and stop them from falling into the traps of investment and pension scams. In 2020, FCA launched its next phase of the campaign which warns the consumers of the increased rate of clone investment frauds.
BSE “is the first and only stock exchange in India to have setup the ‘Stock exchange investor’s protection Fund (IPF) in the interest of customer of the default member” of exchange. The “fund was setup on 10th July 1986 and has been registered with the charity commissioner, government of Maharashtra as a charitable” fund.	The “London Stock Exchange (LSE) is the fundamental stock exchange the United Kingdom and the greatest in” Europe. Begun more “than 300 years earlier, the nearby exchanges were combined in 1973 to outline the Stock Exchange of Great Britain and Ireland, later renamed the London Stock Exchange” (LSE).
SEBI “takes the responsibility of disclosing fair and adequate information for investors for the purpose of investment” decisions. An “advertisement code established by SEBI needs to be followed by companies or” investors.	The “FCA rules impose limits on the type of investments in which an authorized fund can invest and the proportion of the fund’s capital property that may be invested in” particular assets. In “each case, however, it is the fund manager’s responsibility to ensure that the fund provides a prudent spread of risk” for investors.

## IX. CONCLUSION

Both India and UK have made sufficient efforts and have come a long way through amendments to protect their investors. While most of the

mechanisms are same in both countries, they differ in how they operate. India does not have a Financial Service Compensation Scheme. This scheme provides protection to investors in case the financial firms fail to pay and in doing that increases investor confidence and encourages others to take up the role of investors.

Following Brexit, the HM Treasury drafted the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 which amends the FSMA 2000 so that UK's financial services framework continue to operate effectively<sup>50</sup>. Among other things, amendments were being made to<sup>51</sup>

- “Regulated and prohibited activities (Part 2).
- permission to carry on regulated activities (Part 4A).

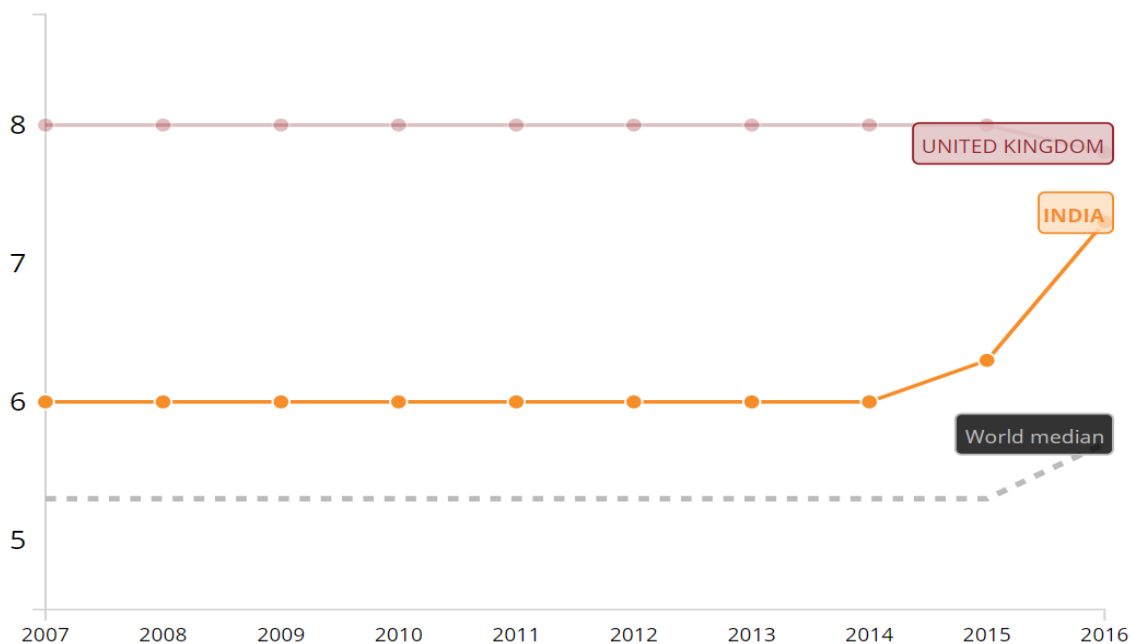
- performance of regulated activities (Part 5).

The growing concern for investors will result in better coverage and better protection for them and through various amendments and regulations both these countries are looking at better ways to protect investors.

### Comparative analysis of investor protection: India and The United Kingdom, using GovData360.

GovData360 is a collection of the most important governance metrics. It currently consists of 33 datasets with global coverage and time spans of more than ten years, with the goal of assisting in the identification of problem areas, providing guidance on the design of reforms, and monitoring impacts.<sup>52</sup>

### The strength of Investor Protection



**Figure 1: The strength of Investor Protection**

The above Figure 1 shows the strength of Investor Protection in United Kingdom, and India<sup>53</sup>. The data mentioned is from 2007 to 2016, India

climbed 12 places in the world in terms of investor protection. In 2016, it was ranked 13th out of 137 countries. New Zealand was ranked first in 2016, while Haiti Country was ranked 137th.

Based on the graph the investor protection ranking of UK is better than India. India has significantly improved her position in the world ranking. India can adopt the provisions for compensation and improve criminal jurisprudence to safeguard investors.