

by now, as the risk and cost of exclusion from the market is very high. Consequentially, a majority of trades in the market is already being done by the MAPIN holders. Testing of the database should have been done to validate its usefulness, thereby also ensuring its acceptance.

2.12 Regulatory Actions

2.12.1 MAPIN aims to cover regulatory actions of SEBI to enable market participants to check the credentials of other participants before dealing with them (The work on this incidentally is yet to start). This information is now available at www.watchoutinvestors.com, that covers regulatory actions of not only SEBI but of several other regulators and, therefore, there now seems little need for duplication of efforts.

2.13 Conclusion

2.13.1 Substantive concerns of fingerprinting, cost and reach and the design of the present system which has resulted/will result in some missing/outdated information would defeat the objectives. The Committee, therefore, is of the view that the present system should not be continued. If continued, it would require major modifications to meet the objectives and would still not be able to address the investors' concerns. Moreover, if the exemptions approach is continued, the present system will end up covering only a small part of the total investing population, that would defeat the objective of creating an inventory of all investors.