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## **Report of the Committee to Recommend Measures for Curbing Mis-selling and Rationalising Distribution Incentives in Financial Products**

Based on the recommendations of the Financial Stability and Development Council (FSDC) Sub-committee, Government of India had set up a Committee under the Chairmanship of Shri Sumit Bose, Former Union Finance Secretary with the following terms of reference:

- a. The Committee would study the prevailing incentive structure among various financial investment products taking into account the historical evolution of such a structure in India and globally and also the differential nature of the product itself.
- b. The Committee would suggest policy measures such that differential regulatory norms do not favour any particular financial product and prevent mis-selling. The study would also address issues with respect to hidden costs and identical financial products under different regulatory jurisdiction.
- c. Suggest measures to rationalise the incentive structure across financial products.

The Committee which submitted its report on August 10, 2015 has made a number of recommendations on the incentive structure in distribution of financial products. The report is available on the website of the Ministry of Finance ([http://finmin.nic.in/suggestion\\_comments/Inviting\\_Comments\\_Committee\\_Incentive\\_Structure.asp](http://finmin.nic.in/suggestion_comments/Inviting_Comments_Committee_Incentive_Structure.asp))

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