

Bill No. LXVII of 2012

THE REGULATORY AUTHORITIES (ACCOUNTABILITY) BILL, 2012

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BILL

to make all the regulatory and subordinate authorities, under different central legislations accountable to the Parliament and for all matters connected therewith and incidental thereto.

BE it enacted by Parliament in the Sixty-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Regulatory Authorities (Accountability) Act, 2012.

Short title,
extent and
commencement.

(2) It shall extend to the whole of India.

(3) It shall come into force on such date, as the Central Government may, by notification
5 in the Official Gazette, appoint.

2. In this Act, unless the context otherwise requires:—

Definitions.

(a) "central Act" means any legislation passed by the Houses of Parliament for enforcement in whole or any part of the country;

(b) "impact assessment study" means an audit or monitoring and evaluation
10 study regarding the functioning of regulatory or subordinate authorities by the Ministry under which the Regulatory or subordinate authority functions;

(c) "regulatory or subordinate authority" includes any council, board or any body by whatever name called constituted under a Central Act;

(d) "report" means the annual report that explains the functions, activities, and decisions taken by a regulatory or subordinate authority; and

(e) "subordinate legislation" means any rule or regulation or scheme made by the regulatory or subordinate authorities for the implementation of the Central Act. 5

Duties of
Regulatory or
subordinate
Authorities.

3. (1) All regulatory or subordinate authorities, which are not submitting reports to the Houses of Parliament shall, hereafter, submit half yearly report to the Houses of Parliament.

(2) It shall be compulsory for each regulatory or subordinate authority to frame rules, regulations, bye laws etc. within thirty days from the date of enactment of a Central Act: 10

Provided that if any Central Act is pending for consideration in any court of law, the authorities shall proceed to make rules regulations, bye law etc. on such Act after the pronouncement of the judgement.

(3) The rules, regulation, bye laws etc. so made, shall be laid before the Houses of Parliament for scrutiny as soon as possible after these have been framed. 15

Monitoring
and
evaluation
study.

4. (1) There shall be a monitoring and evaluation study by a study team (hereinafter referred to as study) of all regulatory or subordinate authorities under the concerned Ministry and the concerned Ministry shall submit a report of the study to the Houses of the Parliament, every year.

(2) The study team shall comprise the following members,— 20

(a) one Secretary from the concerned Ministry or Department;

(b) two persons associated with the Ministry and selected by the Minister; and

(c) one Member of Parliament from Rajya Sabha and the other from Lok Sabha nominated by the Chairman and Speaker respectively.

Uploading of
reports on
website.

5. The Central Government shall ensure that each Ministry of the Central Government, in its website upload the reports of various regulatory or subordinate authorities under its jurisdiction alongwith the study report. 25

Member of
Parliament to
be a part of
the authority.

6. All regulatory or subordinate authorities constituted under a Central Act shall have in its composition one Member from the Rajya Sabha and two Members from the Lok Sabha as nominated by the Chairman or the Speaker of the respective House. 30

STATEMENT OF OBJECTS AND REASONS

The country has a number of independent regulatory bodies or subordinate authorities, which are constituted under various acts, for each sector. Regulatory authorities are vested with the powers, *inter alia* of creating rules for the implementation of laws and imposing penalties for non adherence to laws. However, there has been no measure initiated to ensure the accountability of these regulatory authorities. Many regulatory bodies that act independently are not mandated by any law to submit their reports to the Parliament.

While the subordinate authorities are required to submit the rules that are made by them to the Parliament, and are subject to scrutiny by the Committee on Subordinate Legislations, there are no mechanisms to ensure the transparency in the working of these authorities. It is necessary to make the subordinate authorities democratically accountable and ensure that the work carried out and the decisions made by them are in line with the best interest of the people they are required to serve. Besides it is also felt that a monitoring and evaluation study of such regulatory and subordinate authority should also be done.

The Bill, hence seeks to establish a system to make the regulatory or subordinate authorities accountable and answerable to the Parliament. The Bill requires every regulatory authority in the country to table their annual report of functions and the rules made by them for the implementation of particular legislations to the Houses of Parliament, for scrutiny.

Hence this Bill.

VIVEK GUPTA

FINANCIAL MEMORANDUM

Clause 4 of the Bill provides for conducting an Impact Assessment Study on the regulatory authorities annually. The cost of conducting the study shall be borne by the respective Ministry. An amount for this study has to be set aside in the annual budget of the Ministry. The implementation of the bill will not incur any cost to the Central Government.

RAJYA SABHA

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(Shri Vivek Gupta, M.P.)