



Finfluencers

Why in News?

The **Securities and Exchange Board of India (SEBI)** is working on guidelines for financial influencers — popularly known as 'finfluencers'.

- Finfluencers are people with **public social media platforms offering advice and sharing personal experiences** about money and investment in stocks.
 - Their videos cover budgeting, investing, property buying, cryptocurrency advice and financial trend tracking.

What is the Need of the Regulations?

- The number of 'unregistered' investment advisors giving unsolicited 'stock' tips on social media platforms has increased dramatically.
- In addition, **certain companies used social media platforms to boost their share prices** through finfluencers.
- There is no difference between listed companies and non-listed companies when it comes to fraud, more so now that **digital data thefts and technological risks** are on the rise.
 - Diversion of funds/ assets not only leads to erosion of wealth for shareholders, creates anarchy and financial crisis but also leads to ethical crisis and reputational risk.

What is SEBI?

- **About:**
 - SEBI is a **statutory body established in 1992** in accordance with the provisions of the Securities and Exchange Board of India Act, 1992.
 - The basic functions of the Securities and Exchange Board of India is to protect the interests of investors in securities and to promote and regulate the securities market.
 - It's headquartered is in Mumbai, India.
- **Structure:**
 - SEBI Board shall consist of the following members, namely: -
 - Chairman
 - Two members from amongst the officials of the Ministry of the Central Government dealing with Finance
 - One member from amongst the officials of the Reserve Bank of India
 - Five other members of whom at least three shall be the whole-time members to be appointed by the central Government.
 - SEBI also appoints various committees, whenever required to look into the pressing issues of that time.
 - Further, a Securities Appellate Tribunal (SAT) has been constituted to protect the interest of entities that feel aggrieved by SEBI's decision.
 - SAT consists of a Presiding Officer and two other Members.
 - It has the same powers as vested in a civil court. Further, if any person feels aggrieved by SAT's decision or order can appeal to the Supreme Court.

[**Source: IE**](#)

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