

The Independence of Securities and Exchange Apparatus of the Islamic Republic of Iran

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Abstract

Financial institutions, such as Securities and Exchange Organization (SEO), play an important role in regulating the capital market. In the past, due to the simplicity of the structure of government, the Parliament simply passed a law, the Executive was implementing it and the Judiciary was in charge of interpreting and enforcing the law. However, industrialization and engagement of governments in banking services, trading, investing, insurance services, import and export caused the creation of new financial institutions. Such financial institutions are obliged to respond promptly to the needs of society in an efficient manner and regulate the market. The High Council of Security and Exchange and SEO as main principals in the Iran's capital market are among those financial institutions. The efficiency of these institutions is intertwined with their independence. In that, the effective efficiency of such financial institutions is dependent on guaranteeing their independence. In this article, independence in regulation, supervision, structure and finance will be examined in respect to securities and exchange apparatus of Iran.

Keywords: Independence in regulation, independence in supervision, financial independence, structural independence.

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