# The Road to Liberalization- Regulation in the China and Indian Stock Markets

Chaoyan Wang

*(University of York, UK)*

Malay Dey

*(US)*

The purpose of stock market regulation is to serve the public interest and ensure that markets are fair, efficient and transparent; and reduction of systemic risk. A healthy stock market should be able to moderate the risk of the drying up of liquidity and excess volatility, and to lead stock prices towards the fundamental value. The China and Indian stock markets are equipped with the most advanced electronic trading systems which facilitate regulatory norms, however, these two markets are known to have some crucial problems, such as price manipulation, insider trading, and excess volatility. We focus on the regulation development in these two markets which has evolved to cope with these market misdemeanours with respect to both institutional and legislative aspects.