CS EXECUTIVE

CAPITAL MARKET AND SECURITIES LAWS

Comprehensive Curriculum Coverage
Covers every Concept as per the latest ICSI Syllabus

Strictly Based on ICSI Modules
All chapters aligned topic-wise with the official Module Sequence

Theoretical + Case-based Questions
Includes Past Year Questions & Case-based Questions

Module 2

CONTENTS

PART-A: CAPITAL MARKET

PART-B: SECURITIES LAWS

CHAPTER 1

BASICS OF CAPITAL MARKET

1. FINANCIAL SYSTEM IN INDIA

Every modern economy is based on a **sound financial system**, which plays a crucial role in:

- **Production**
- **Capital formation**
- **Economic growth**

This is achieved by

- **Encouraging savings habits**
- **Mobilising savings** from households and other segments
- **Allocating savings into productive usage** such as trade, commerce, and manufacturing

The financial system covers both **credit and cash transactions**.

A **financial system** is essentially a **set of institutional arrangements** that:

- Mobilise financial surpluses from surplus income units
- **Transfer them to deficit units** who need capital

Financial system involves

- **Production**, **distribution**, **exchange**, and **holding of financial assets/instruments**
- Handled by **financial institutions**, **banks**, and other **market intermediaries**

In short, a financial system comprises:

- **Financial Market**
- **Financial Assets**
- **Financial Services**
- **Financial Institutions**

1.1 FACTORS INFLUENCING CAPITAL MARKET GROWTH

Several factors influence the capital market, including:

- **Household sector savings**
- **Health of the economy**
- **Industrial trends**
- **Taxation levels**
- **Corporate performance**
- **Common living patterns**

Indicators of Economic Strength

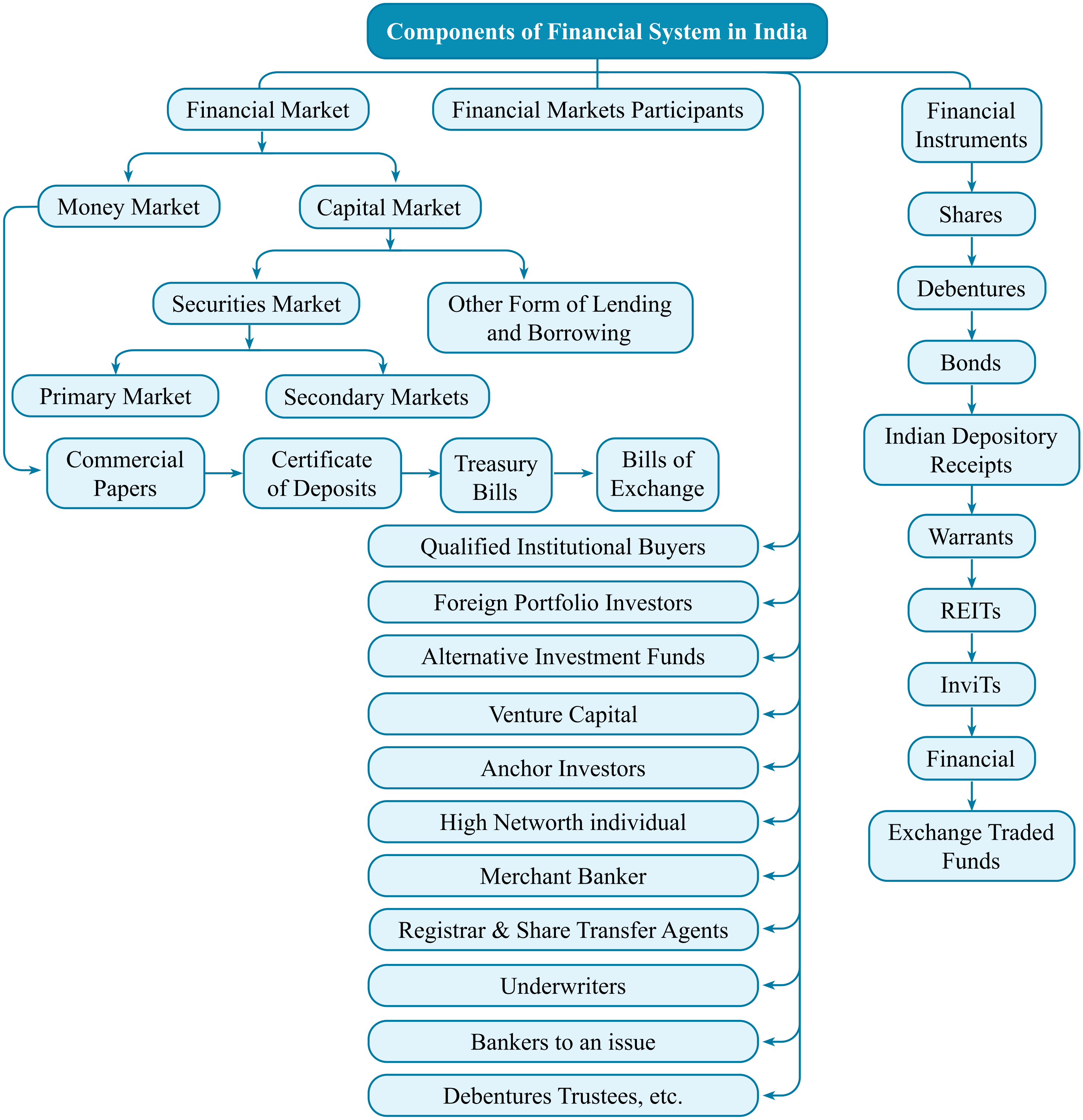
The strength of the economy is measured by:

- **Growth in GDP (Gross Domestic Product)**
- **Agricultural production**
- **Quantum and spread of rainfall**
- **Interest rates**
- **Inflation**
- **Balance of payments**
- **Balance of trade**

- **Foreign exchange reserves**
- **Investments**
- **Growth in capital formation**

The performance surge in some **large companies** and the **soaring of their share prices** has:

- **Boosted market sentiment**
- **Increased investor interest in equities**
- Promoted the **growth of equity cult**, encouraging investments not just in companies but also in **financial institutions and banks**



2. FINANCIAL MARKETS IN INDIA

INTRODUCTION

The **Indian Financial Market** is one of the **oldest** in the world and is currently regarded as the **fastest growing** and **most efficient** among the financial markets of **emerging economies**.

- The **history** of Indian capital markets spans **over 200 years**, beginning in the **late 18th century** during the **East India Company** rule.
- It initially developed around **Mumbai**, with **200–250 securities brokers** participating actively by the **second half of the 19th century**.
- Today, the **Bombay Stock Exchange (BSE)**, located in Mumbai, is one of the **largest stock exchanges globally** in terms of **trading turnover**.

The **Indian Financial Market** is now **well-developed** and plays a pivotal role in the global financial ecosystem.

History of BSE (Bombay Stock Exchange)
- **Founded**: In **1875**, Bombay
- **Recognised**: By the Government of India on **31st August, 1957** under the
- Securities Contracts (Regulation) Act, 1956
- **Electronic Trading**: Transitioned to electronic trading in **1995**
- **Global Rank**: As of **May 2024**, BSE is the **6th largest stock exchange** in the world by trading turnover
- **Milestone**: In **2017**, BSE became the **first listed stock exchange in India**

FUNCTIONS OF FINANCIAL MARKET

1. **Mobilisation and Channelization of Savings**
   - Directs savings into the **most productive uses**
2. **Price Discovery**
   - Helps in determining the **price of securities** based on **demand and supply**
3. **Liquidity Provision**
   - Investors can **readily sell securities** and convert them into **cash**
4. **Exchange Without Physical Delivery**
   - Facilitates the **exchange of assets** without requiring **physical transfer**

2.1 MONEY MARKET

The **Money Market** is a segment of the financial system where short-term borrowing and lending of funds takes place.

- The maturity of money market instruments ranges from **1 day to 1 year**.
- In India, this market is regulated by both the **Reserve Bank of India (RBI)** and the **Securities and Exchange Board of India (SEBI)**.

- Transactions in this market are typically **large in amount** and **high in volume**, making it a domain dominated by **large institutional players**.

Role and Importance

- It provides an **equilibrating mechanism** for short-term **liquidity surpluses and deficits**.
- It plays a key role in facilitating the **monetary policy operations** of the economy.

Characteristics of Money Market Instruments

- Instruments are **negotiable**, offer **high liquidity**, involve **minimal transaction costs**, and incur **no loss in value**.
- Common instruments include:
  - Treasury Bills
  - Commercial Papers
  - Certificates of Deposit

2.2 CAPITAL MARKET

The **Capital Market** is that segment of the financial system which is concerned with:

- The **industrial securities market**
- The **government securities market**
- The **long-term loan market**

It meets the **medium- and long-term financing needs** of:

- Business enterprises
- Government bodies
- Individuals

Functions and Structure:

- Capital market institutions and mechanisms **mobilize and allocate long-term funds**.
- It also facilitates the **transfer of existing securities**, providing liquidity to investors.
- This market is often regarded as the **Barometer of the Economy**.

2.2.1 NEED FOR CAPITAL MARKET

The capital market plays a pivotal role in the development and long-term growth of any economy.

It functions as an efficient mechanism for mobilizing and allocating resources for productive use.

Importance & Role of Capital Market

- It is an **efficient conduit** to **channel and mobilize funds** to enterprises—both **private and government**.
- It serves as an **effective source of investment** in the economy.
- It is critical in **mobilizing savings for investment in productive assets**, enhancing the country's **long-term growth prospects**.
- Acts as a **catalyst** in transforming the economy into a more **efficient**, **innovative**, and **globally competitive** marketplace.
- Provides a **medium for risk management** by facilitating **diversification of risk** across the economy.

- Improves **information quality** by encouraging the adoption of **stronger corporate governance** practices, supporting a **transparent trading environment**.
- Supports financing of **capital-intensive projects** with **long gestation periods** — a concept proven during the **18th-century industrial revolution** and still relevant today.
- Enables companies to issue **Employee Stock Option Plans (ESOPs)** by distributing shares to employees.
- Facilitates **mergers and acquisitions** through **share swaps** as a form of currency.
- Offers a strategic route for **government disinvestments**.
- Provides an **exit route for Venture Capital and Private Equity funds** through listings of unlisted companies on the stock exchange.

2.3 KEY DIFFERENCE IN MONEY MARKET & CAPITAL MARKET

Aspect	Money Market	Capital Market
Purpose	Focuses on short-term working capital needs	Aims at creating long-term asset bases
Tenure of Investment	Short-term (up to 1 year)	Long-term (over 1 year)
Participants	Primarily Government, Banks, and Institutional Investors	Institutional and Retail Investors
Risk	Low risk	Higher risk
Return on Investment	Generally low	Generally high
Types of Instruments	Commercial Paper, Certificate of Deposit, T-Bills	Shares, Debentures, Bonds

3. SECURITIES MARKET

The **Securities Market** is a **platform where companies raise funds** by issuing securities such as **equity shares, debt instruments, derivatives, mutual funds, etc.** to the public.

It is also the **place where investors can buy or sell securities** like shares and bonds.

- **It is a part of the Capital Market**.
- It facilitates the **transfer of financial instruments/claims through sale**.

Once the securities are issued to the public, they must be **listed on recognized stock exchanges**.

FUNCTIONS OF SECURITIES MARKET

- Allows people to **do more with their savings**.
- Enables individuals to **capitalize on ideas and talents** by linking **savings with investment**.
- **Mobilises savings** and **channelises them** into productive enterprises.
- Provides a **marketplace for buying and selling securities**.
- Ensures **transferability and liquidity** of securities — fundamental to the **joint stock enterprise system**.

The market meets the dual needs of:

- Enterprises – for **capital**
- Investors – for **liquidity**

Key Takeaways

- **Securities Market** –
  - Links savings with investments
  - Caters to both retail and institutional investors
  - Mobilises and channelises savings
  - Provides liquidity to investors
  - Serves as a marketplace for securities
- **Attractive Features of Securities Market**:
  - **Liquidity & yield** attract net savings
  - **Capital gain possibilities**
  - **Inflation protection**

Benefits of a Developed Securities Market

- Encourages **participation from all income groups**.
- Individuals can **invest whatever they can** in enterprises.
- Entrepreneurs can **raise funds to start a business**.
- Promotes **diversification of risk** leading to **long-term success**.

Segments of the Securities Market

1. **Primary Market**
2. **Secondary Market**

3.1 PRIMARY MARKET (IPO MARKET)

Deals with the **issue of new securities:**

- **Equity shares, preference shares, debt instruments**
- Issued by:
  - Corporate entities
  - Central & State Governments
  - Public Sector Undertakings (PSUs)
  - Statutory authorities

Significance

- Channel for funds to flow from investors to entrepreneurs
- Creates securities for the secondary market
- **Retail in nature** – No physical location, offers made through **prospectus**

Major Types of Issuers

- **Corporate Entities** → Equity & Debt instruments
- **Governments** → Debt instruments (e.g. **Treasury Bills, Dated Securities**)

Other Fundraising Options

- **Qualified Institutional Placements (QIP)** – For listed companies issuing to **QIBs**
- **International Options** – ADRs, GDRs, ECBs

3.2 SECONDARY MARKET (FPO MARKET / STOCK EXCHANGE)

- Platform for **trading existing securities**
- Transactions occur via **registered brokers/sub-brokers**
- May have a **physical location or be screen-based**
  (Since 1995, India has **screen-based and Internet trading**)

Functions

- Provides **liquidity** to investors in the primary market
- Enables **buying and selling of existing securities**
- **Promotes primary market growth** by assuring liquidity
- Known as **Further Public Offer (FPO) Market**

3.3 DIFFERENCE BETWEEN PRIMARY AND SECONDARY MARKET

Basis of Comparison	Primary Market	Secondary Market
Meaning	**Market for issuing fresh securities**	**Market for trading already issued securities**
Objective	**To raise funds** for companies	**Capital appreciation** for investors
Scope	Involves **issuance of new securities** through **Initial Public Offer (IPO)**	Involves **further trading** of **already issued securities**
Popular Name	**New Issue Market / IPO Market**	**After Issue Market**
Purchasing of Securities	Investors **buy directly from the company**	Investors **trade among themselves**
Financing	Provides funds to **new and existing companies** for **expansion and diversification**	**Does not provide direct funding** to companies
Parties to Transactions	**Company and Investors**	**Investors among themselves**
Major Intermediaries	**Underwriters**	**Brokers**
Price	**Fixed price** as per the **offer document/red herring prospectus**	**Fluctuating price** based on **demand and supply**
Utilisation of Funds	Funds become **capital of the company**	Funds become **income for investors**

4. NEED FOR REGULATORS IN CAPITAL MARKET

BACKGROUND

- In the **late 1980s**, India witnessed rapid **development of stock markets**, which attracted a surge in **investments by individual shareholders**.
- With this growth, several **malpractices** began to surface:
  - Non-adherence to rules and regulations
  - Price rigging
  - Unregulated merchant bankers
  - Delayed deliveries
- These issues **shook investor confidence** and led to a **decline in trust** in the securities market.

PRE-1992 SCENARIO: LACK OF TRANSPARENCY

- **Equity trading was highly restricted** under the **Capital Issues Control Act**.
- Trading practices were **non-transparent**.
- Rampant **insider trading** was common.
- The system lacked **proper investor protection**, leading to a **fragile market environment**.

SCAM 1992 – TURNING POINT

- India witnessed **one of its biggest financial frauds:**
  - **The Harshad Mehta Scam**, also known as **Scam 1992**.
- The **stock market crashed** as the scam came to light, causing panic among investors and institutions.

4.1 NEED FOR REGULATORY BODY

- The government **realized the urgent need** to establish a **strong, independent regulator** to:
  - Ensure **systematic and fair functioning** of stock exchanges.
  - **Protect investors' interests**.
  - Prevent **frauds and manipulations**.

Birth of SEBI (Securities and Exchange Board of India)

- **Prior to SEBI**, regulation was handled by the **Controller of Capital Issues**.
- In **1992**, the **Capital Issues (Control) Act was repealed**, and the office of the controller was **abolished**.
- **SEBI was established on 21st February 1992** through an ordinance issued on **30th January 1992**.
  - The **need for a regulator** arose from increasing **malpractices, scams, and lack of investor protection**.
  - **SEBI was formed** to bring **transparency, accountability, and confidence** back to the capital market.

5. REGULATORY FRAMEWORK FOR SECURITIES MARKET

Regulatory Authorities in India

- The **Indian Capital Markets** are regulated and monitored by the following bodies:
  - **Ministry of Finance**
  - **Securities and Exchange Board of India (SEBI)**
  - **Reserve Bank of India (RBI)**

Ministry of Finance – Role in Capital Market Regulation

- The **Ministry of Finance** regulates through the **Department of Economic Affairs - Capital Markets Division**.
- The division is responsible for:
  - Formulating policies for **orderly growth and development** of the securities markets (e.g., **shares, debt, and derivatives**).
  - **Protecting the interests of investors**.
  - **Institutional reforms** in the securities markets.
  - **Building regulatory and market institutions**.
  - Strengthening **investor protection mechanisms**.
  - Providing an **efficient legislative framework** for the securities markets.

SEBI – THE CAPITAL MARKETS REGULATOR

- **Securities and Exchange Board of India (SEBI)** was established in **1988** through an **administrative order**.
- The SEBI Act came into force after four years, in **1992**, making SEBI a statutory and powerful institution.

Evolution of SEBI

- **Controller of Capital Issues** was **repealed** in **1992**, and its office was **abolished**.
- SEBI was **established on 21 February 1992** through an **ordinance** issued on **30 January 1992**.
- The **SEBI Act** replaced the ordinance on **4 April 1992**.
- Certain powers under the **Securities Contracts (Regulation) Act, 1956 (SCRA)** and the **Companies Act, 1956 (now 2013)** were **delegated to SEBI**.

Expansion of SEBI's Powers

- In **January 1995**, the **Securities Laws (Amendment) Ordinance** increased SEBI's regulatory powers, later replaced by an Act of Parliament.
- **Post-2002 amendment**, SEBI gained powers to:
  - **Pass interim orders**.
  - **Investigate and hold inquiries**.
  - Pass **final orders**, including **cease and desist** or **monetary penalties**.

Objectives of SEBI

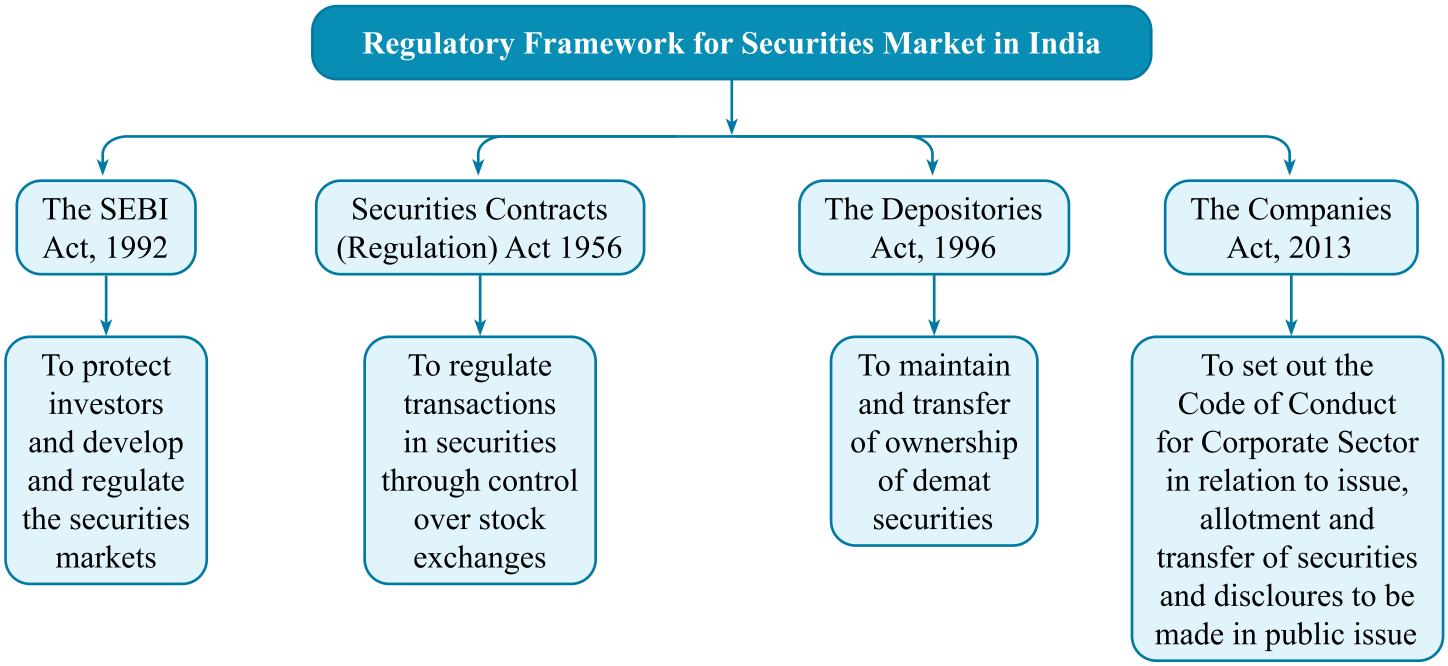
- **Protect the interests of investors**.
- **Promote the development** of the securities market.
- **Regulate** the securities market.

SEBI'S ROLE IN THE MARKET

- SEBI acts as a **watchdog** for all participants in the capital market.
- Its **main purpose** is to create an environment that ensures **efficient and smooth functioning** of the securities market.
- The **securities market** is vital for the **economic growth** of the country, as it serves as a platform for capital formation and investment.
- SEBI **consults** various organizations such as:
  - **Government of India**
  - **RBI** (Reserve Bank of India)
  - **IRDA** (Insurance Regulatory and Development Authority)
  - **PFRDA** (Pension Fund Regulatory and Development Authority)
- After consultations, SEBI formulates **policies** to ensure smooth operations in the securities market.

REFORMS AND EVOLUTION

- Before the initiation of **reforms in 1992-93**, the Indian financial market was **highly segmented** with **barriers to entry** and **administered prices**.
- The reform process began with the **establishment of SEBI**, which helped to open up the market, making it more **transparent** and **investor-friendly**.



5.1 THE SEBI ACT, 1992

The **SEBI Act, 1992** establishes the **Securities and Exchange Board of India (SEBI)** with **statutory powers** to:

1. **Protect the interests of investors** in securities.
2. **Promote the development** of the securities market.
3. **Regulate the securities market**.

SEBI'S REGULATORY JURISDICTION

- SEBI has regulatory jurisdiction over:
  - **Corporates** involved in the issuance of capital and transfer of securities.
  - **All intermediaries** and persons associated with the securities market.
- **Powers of SEBI:**
  - Conduct **enquiries**, **audits**, and **inspections**.
  - **Adjudicate offences** under the Act.
  - Register and **regulate market intermediaries**.
  - **Penalize violators** of the Act, Rules, and Regulations.
- **Autonomy and Authority:**
  - SEBI has full **autonomy** to regulate and develop an **orderly securities market**.

5.2 THE SECURITIES CONTRACTS (REGULATION) ACT, 1956

This Act regulates **securities trading** and the operations of **stock exchanges**.

- Employ **market experts** to manage investments.
- **Diversify risks** and provide **access to markets** for smaller investors.

CONTROL FACTOR

- **Individual investors** have **less control** over investment decisions when investing through QIBs.
- Investment is managed by **professional fund managers** or analysts on behalf of the group.

WHO QUALIFIES AS A QIB?

As per **Regulation 2(1) (ss)** of **SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018**, the following entities qualify as QIBs:

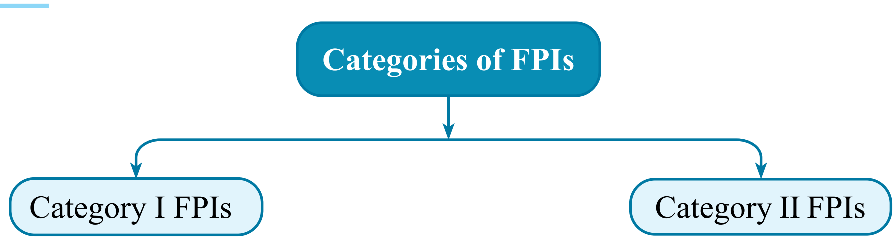
1. **Mutual Funds**, **Venture Capital Funds**, **Alternative Investment Funds**, and **Foreign Venture Capital Investors**registered with **SEBI**.
2. **Foreign Portfolio Investors** (excluding individuals, corporate bodies, and family offices).
3. **Public Financial Institutions**.
4. **Scheduled Commercial Banks**.
5. **Multilateral and Bilateral Development Financial Institutions**.
6. **State Industrial Development Corporations**.
7. **Insurance Companies** registered with the **IRDAI**.
8. **Provident Funds** with a **minimum corpus of ₹25 crore**.
9. **Pension Funds** with a **minimum corpus of ₹25 crore**, registered with **PFRDA** under the **PFRDA Act, 2013**.
10. **National Investment Fund** set up by the **Government of India**.
11. **Insurance Funds** set up and managed by the **Army, Navy, or Air Force** of the Union of India.
12. **Insurance Funds** managed by the **Department of Posts, India**.
13. **Systemically Important Non-Banking Financial Companies (NBFCs)**.

FOREIGN PORTFOLIO INVESTOR (FPI)

DEFINITION

- A **Foreign Portfolio Investor (FPI)** is any person **registered under Chapter II** of the **SEBI (Foreign Portfolio Investors) Regulations, 2019**.
- FPIs are considered **intermediaries** under the **SEBI Act, 1992**.

CATEGORIES OF FPIS



CATEGORY I FPI

These are considered **low-risk** and include **well-regulated or sovereign-backed entities:**

1. **Government and Government-related investors:**
   - Central banks, sovereign wealth funds, international/multilateral agencies.
   - Entities **controlled or at least 75% owned** (directly or indirectly) by such investors.
2. **Pension funds and university funds**
3. **Appropriately regulated financial entities:**
   - Includes **insurance companies**, **banks**, **asset management companies**, **portfolio managers**, **broker-dealers**, **swap dealers**, etc.
4. **Entities from FATF member countries**, including:
   - Appropriately regulated funds.
   - Unregulated funds managed by an **appropriately regulated and Category I registered investment manager** (who accepts full responsibility).
   - **University endowments** (universities must be over 5 years old).
5. **Entities managed or owned by eligible institutions:**
   - If the **investment manager** is from a **FATF member country** and registered as Category I.
   - If **≥75% ownership** is held by an eligible institution under clause (ii), (iii), or (iv), and they assume full responsibility.

CATEGORY II FPIS

These include **all other foreign investors** not eligible under Category I. Examples:

1. Appropriately regulated funds **not eligible** for Category I.
2. **Endowments and foundations**
3. **Charitable organizations**
4. **Corporate bodies**
5. **Family offices**
6. **Individuals**
7. Appropriately regulated entities investing **on behalf of clients** (conditions apply).
8. **Unregulated funds** in the form of **limited partnerships** and **trusts**.

> **Note:** Applicants set up in an **International Financial Services Centre (IFSC)** in India are **deemed to be appropriately regulated**.

7.3 ALTERNATIVE INVESTMENT FUNDS (AIFS)

Definition of AIF

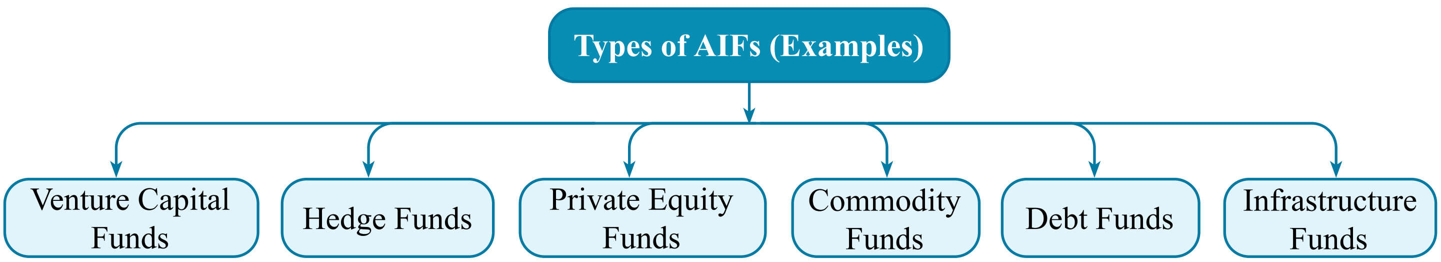
- As per **Regulation 2(1)(b)** of the **SEBI (Alternative Investment Funds) Regulations, 2012**, an **Alternative Investment Fund (AIF)** is:
   - A **privately pooled investment vehicle** (from Indian or foreign sources),
   - Established in **India** as a **trust**, **company**, **LLP**, or **body corporate**,

- **Not governed** by existing SEBI regulations like Mutual Funds or Collective Investment Schemes,
- **Not directly regulated** by any other sectoral regulator in India like **IRDA**, **PFRDA**, or **RBI**.

7.4 EXCLUSIONS FROM AIF DEFINITION

The following **shall NOT be treated as AIFs** under SEBI AIF Regulations:

1. **Family Trusts** for the benefit of *relatives* (as per Companies Act, 2013)
2. **ESOP Trusts** under:
   - SEBI (Share Based Employee Benefits) Regulations, 2014, or
   - SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
3. **Employee welfare/gratuity trusts**
4. **Holding Companies** [Section 2(46), Companies Act, 2013]
5. **Special Purpose Vehicles (SPVs)** not established by fund managers (e.g., **securitization trusts**)
6. **Funds managed by securitisation/reconstruction companies** registered with RBI under:
   - SARFAESI Act, 2002
7. **Pools of funds regulated by any other Indian regulator**



Not included: Mutual Funds, Collective Investment Schemes, Family Trusts, Employee Trusts, Holding Companies, RBI-regulated Securitization Trusts.

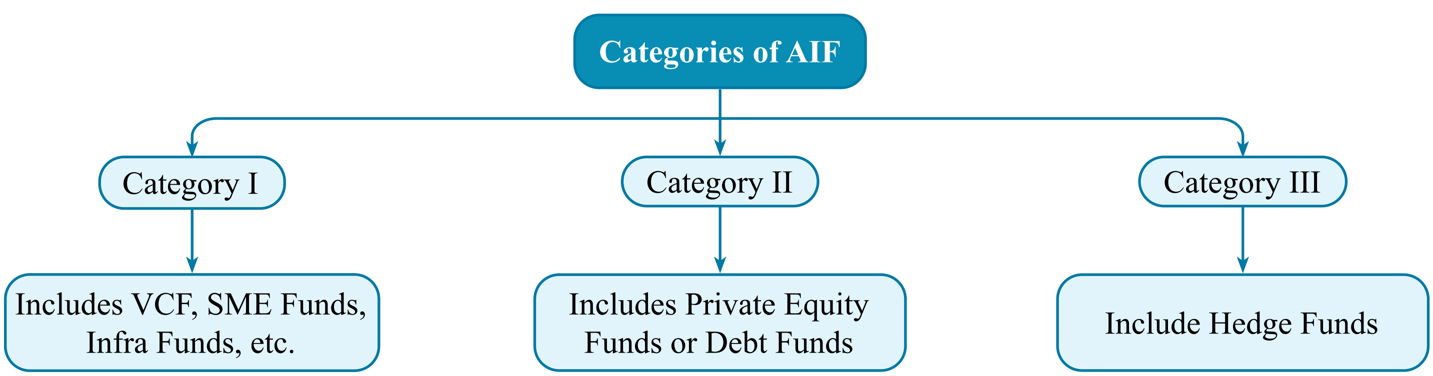
WHO INVESTS IN AIFS?

- **Large Institutions**
- **High Net-Worth Individuals (HNIs)**
- **Corporates**

  One AIF can launch multiple schemes.

Regulated by: *SEBI (Alternative Investment Funds) Regulations, 2012*

CATEGORIES OF ALTERNATIVE INVESTMENT FUNDS (AIFS)



VENTURE CAPITAL (VC)

Venture Capital is an **innovative financing resource** where the **promoter gives up partial ownership and control** in exchange for capital, typically for **3–5 years**.

- These are **equity investments** made at an **early stage** in **privately held companies**
- Target companies must have **high growth potential** and can offer **high return** (or **high risk**)
- Used to support:
  - **Innovation**
  - **Knowledge-based ideas**
  - **Technology-oriented enterprises**
  - **Human capital-intensive businesses**

- **What is a Venture Capital Fund?**

A **Venture Capital Fund** is a type of **Alternative Investment Fund (AIF)** which invests mainly in **unlisted securities** of:

  - **Startups**
  - **Emerging ventures**
  - **Early-stage companies**

It includes:

- **Angel Funds**
- **Migrated Venture Capital Funds**

WHO ARE THE INVESTORS?

A **Venture Capital Company** is a **group of pooled investors**, often including:

- **Institutional investors** (e.g. pension funds, insurance companies)
- **Foundations & corporations**
- **High-net-worth individuals**

Note: These are **high-risk, high-reward investments**

AREAS OF INVESTMENT

Different VC groups focus on **different stages and sectors:**

- **Seed Capital** & **Early Expansion** investors
- **Exit Financing** investors

Popular Sectors for VC Investments

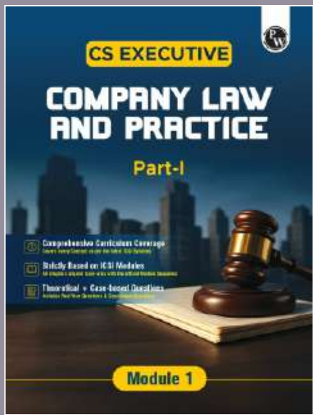
- Biotechnology
- Medical services
- Communications
- Electronic components
- Software

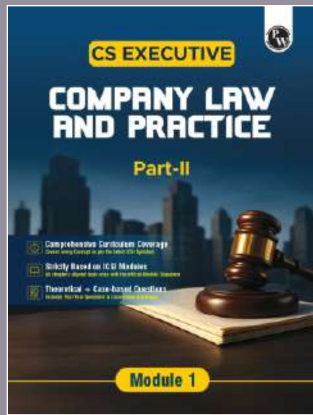
7.5 PRIVATE EQUITY (PE)

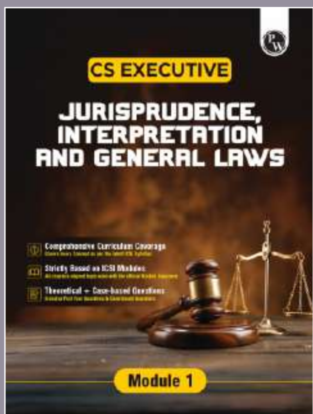
Private equity is a type of **equity investment** made into **companies not listed on a public stock exchange**.

- It involves investing in **non-public companies**, or buying **public companies** with the intent to **delist** them.

Other Books in This Series







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TYPES OF PRIVATE EQUITY

1. **Leveraged Buyout (LBO)**

   Equity investment strategy where a company or asset is **acquired using significant debt**.

   - Targets are usually:
     - **Mature companies**
     - Companies with **steady cash flows**

2. **Venture Capital**

   Sub-category of PE focused on **early-stage companies** with **high growth potential**.

   - Typically involves:
     - Startups
     - Innovation-driven businesses

3. **Growth Capital**

   Minority equity investments made in companies for:

   - **Expansion**
   - **Market entry**
   - **Major acquisitions**

without changing the **control of business**.

7.6 ANGEL FUND

Angel Fund is a **pool of capital** created by **High Net-worth Individuals (HNIs)** or companies (called **Angel Investors**) to **invest in start-ups**.

- It is defined under **SEBI (Alternate Investment Funds) (Amendment) Regulations, 2013**.
- It is a **sub-category of Venture Capital Fund** under **Category I – AIF**.
- The fund raises money **only from angel investors** and invests according to **SEBI-specified regulations**.

WHO IS AN ANGEL INVESTOR?

An **Angel Investor** (also called **business angel, informal investor, seed investor**) is a **wealthy individual or entity** that **invests capital in a startup**, usually in exchange for:

- **Convertible debt**, or
- **Ownership equity**

MODES OF INVESTMENT

- Investments may be made:
  - **Directly** or
  - Through **equity crowdfunding platforms**
- Many angel investors form:
  - Angel Groups
  - Angel Networks