



Committed to professional excellence

IIBF VISION

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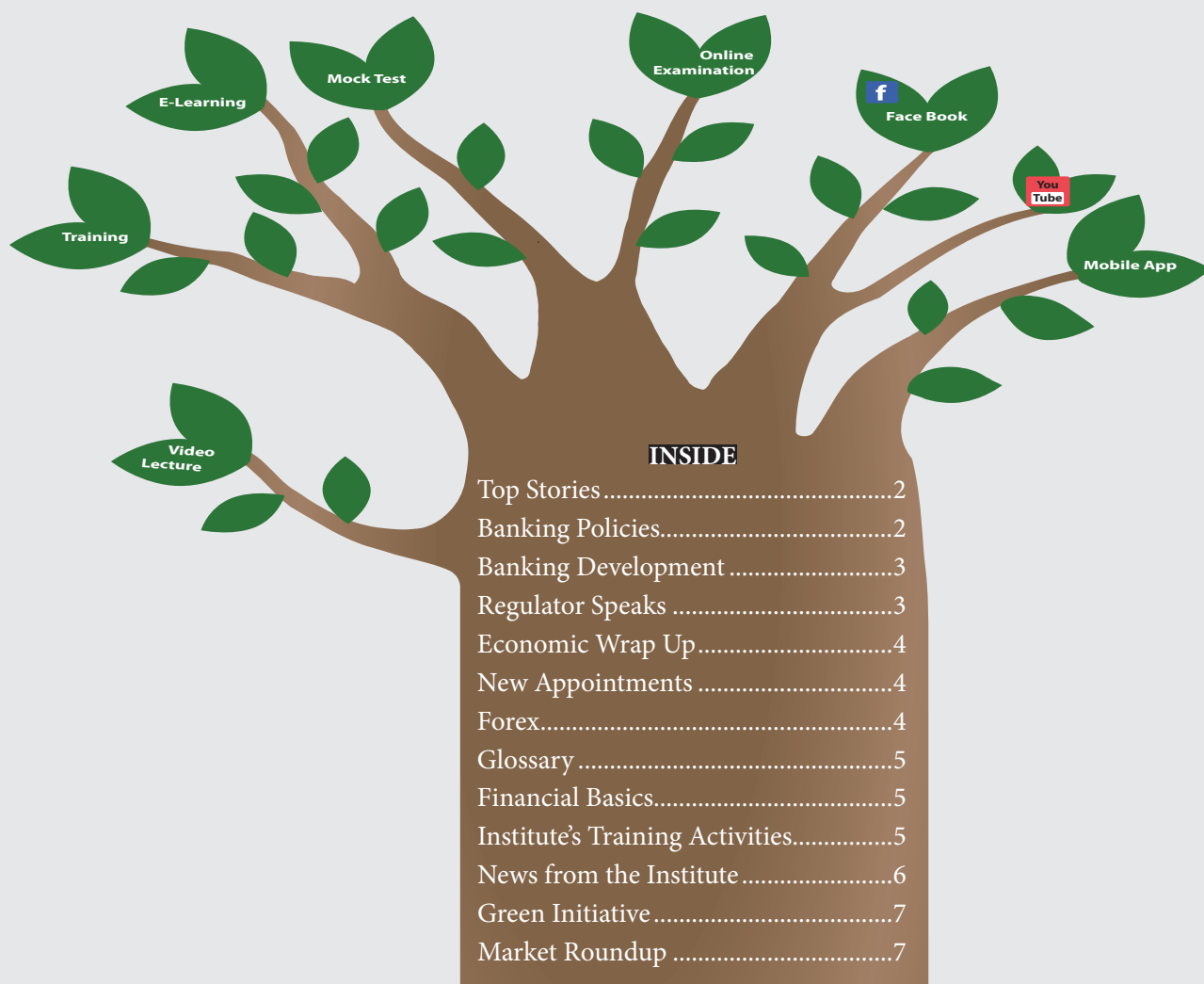
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VISION

To be premier Institute for developing and nurturing competent professionals in banking and finance field.

MISSION

To develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy / counselling and continuing professional development programs.



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TOP STORIES**UPI-PayNow linkage to increase global digital payment transfer, reduce dependency on SWIFT**

The two countries have linked their digital payment systems - Unified Payments Interface (UPI) in India and PayNow in Singapore to do real-time money transfers with just a mobile number. The National Payments Corporation of India (NPCI) has kick-started its ambitious project of enabling NRIs from Singapore to digitally transfer funds up to ₹60,000 in a day (equivalent to around SGD 1,000) using the UPI platform from their NRE/NRO accounts. Apart from Singapore, the other 9 countries include USA, UK, UAE, Canada, Hong Kong, Oman, Qatar, Saudi Arabia, and Australia. This will, thus, reduce dependency on SWIFT network for cross-border payments.

RBI extends UPI for foreign travellers, NRIs

Following the immense popularity of Unified Payments Interface (UPI) for retail digital payments in the country, the RBI has extended the benefits of using UPI to foreign travellers and NRIs visiting India. To start with, this facility will be extended to travellers from G-20 countries arriving at select international airports. These countries include Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, UK, USA, and EU. The facility, which will shortly be enabled across all other entry points in the country, will allow a seamless payment experience for inbound international travellers, who will not need to carry or worry about exchanging currency in cash. It will also boost further growth of digital payments system in India.

RBI cautions public about unauthorised forex trading entities; issues alert list

In order to protect people from undertaking forex transactions on unauthorised Electronic Trading Platforms (ETPs) or remit/deposit money for such unauthorised transactions, the RBI released an updated alert list of entities that are neither authorized to deal in forex under the Foreign Exchange Management Act, 1999 (FEMA), nor authorized to operate ETPs for forex transactions. The alert list includes names of entities/platforms/websites that are seen promoting unauthorised entities/ETPs, via advertisements, or claiming to be providing training/advisory services. Residents contravening these guidelines, can face penal action under the norms of FEMA.

Banking Policies**RBI issues final guidelines on interest rate risk in banking book**

Banks need to measure, monitor, and disclose their exposure to Interest Rate Risk in Banking Book (IRRBB). The IRRBB refers to the current or prospective risk that adverse movement in interest rates may have on the banks' capital and earnings, thus affecting its banking book positions. Excessive IRRBB poses a significant risk to banks' current capital base and/or future earnings. Hence, RBI has issued final guidelines on IRRBB.

RBI decrees penal charges for loan repayment delay, default

Any delay or default in servicing a loan will now be met with penal charges, as decreed by the RBI. These charges will be levied in a transparent manner but not as a penal interest rate, which has often been found to be added to the interest rate charged on the advances. Penal interest rate is a tool to inculcate credit discipline in borrowers and not to be used as a method of revenue enhancement for the lender / REs. In view of this, penal charges will now be recovered from the borrower separately without being added to the outstanding principal amount. However, the lender can alter the credit risk premium if there's a deterioration in the borrower's credit risk profile.

Digital lending norms to now encompass debit card loans

The master direction on credit card and debit card issuance (2022) governs EMI programmes on credit cards; but, loan products other than these (which are not covered under the master direction) have now been taken under the RBI's digital lending guidelines. These products comprise loans offered on debit cards, including Equated Monthly Instalment (EMI) programmes.

According to the digital lending guidelines, Regulated Entities (REs) have to provide a Key Fact Statement (KFS), containing details of annual percentage rate, recovery mechanism, details of grievance redressal officer designated to deal with digital lending matter, and the cooling-off/ lock-up period. All loan disbursements, servicing, repayment, etc., have to be executed by the borrower directly in the RE's bank account without any pass through account/pool account of any third party, except in case of flow of money between REs for co-lending transactions. Entities offering only Payment Aggregator (PA) services are not included under the digital lending guidelines; unless they're also acting as a lending service provider.

RBI takes steps to prevent ARCs from breaching norms

Upon realising that some Asset Reconstruction Companies (ARCs) have been recognising management fees after implementing Indian Accounting Standards, even though the said fee had not been realised for more than 180 days, the RBI has taken steps to prevent ARCs from breaching income recognition norms. Accordingly, while calculating the Capital Adequacy Ratio, ARCs will now deduct the amounts, specified by RBI, from net-owned funds and from the amount available for payment of dividend as well. ARCs will have to reduce unrealised management fees where the net asset value of the Security Receipts has fallen below 50% of the face value.

Banking Development

RBI makes changes in NEFT, RTGS systems for reporting foreign remittances

Under the Foreign Contribution (Regulation) Act (FCRA), foreign contributions have to be received only in the "FCRA account" of State Bank of India (SBI), New Delhi Main Branch (NDMB). These contributions are received directly from foreign banks through SWIFT, and from Indian intermediary banks through NEFT and RTGS systems.

Now, RBI has made changes in NEFT and RTGS systems for such transactions, in keeping with the extant requirements of the Ministry of Home Affairs (MHA). Accordingly, from March 15, 2023, the donor details viz. name, address, country of origin, amount, currency, and purpose of remittance are required to be captured in such transactions and SBI has to report the same to MHA on daily basis. Banks need to incorporate necessary changes in their core banking/ middleware solutions before the given deadline.

Regulator Speaks

India's Current Account Deficit is manageable: RBI Governor

Speaking at the 22nd FIMMDA-PDAI Annual Conference in Dubai, RBI Governor Mr. Shaktikanta Das averred that India's Current Account Deficit (CAD) is manageable and within the parameters of viability. While merchandise exports are being somewhat affected by slowing global demand, its effect is offset by strong service exports and remittances inflow.

Mr. Das also said that in spite of CPI inflation easing to 5.72% in December 2022 from 7.41% in September 2022, core inflation remains sticky and elevated.

The government bond market has also remained resilient, with average bid-ask spreads being the lowest among peer nations. In spite of significantly higher government borrowing, the yield curve also evolved in an orderly

manner without any undue volatility. However, the secondary market liquidity in G-secs remains concentrated in a few securities and tenors. MIBOR-based OIS seems to be the only major liquid product in the interest rate derivative market.

The Governor concluded his address saying that greater challenges will emerge in the future, as Indian banks increase their footprints in the offshore markets, the range of products expand, non-resident participation in domestic markets grows, and capital account convertibility increases.

Economic Wrap Up

The Monthly Economic Report January, 2023 from the Department of Economic Affairs outlined the performance of some key economic indicators, as follows:

- Consumer Price Index (CPI) inflation rose to 6.5% in January, 2023, in spite of headline inflation showing a downward trend in the second half of FY22.
- WPI inflation declined to a 24-month low of 4.74% in January, 2023.
- PMI-manufacturing, the Index of Industrial Production and the Index of Core Industries (ICI) indicate that manufacturing activity continues to grow steadily.
- India's Economic Budget FY24 has ensured macroeconomic stability by budgeting a fiscal deficit of less than 6% of GDP.
- There has been a 33% increase in the Capex budget to ₹10 Lakh crore, as compared to previous year.
- Under the New Personal Income Tax Regime (NPITR), rationalisation in the tax slabs has been achieved and the exemption limit has increased from ₹2.5 lakh to ₹3 lakh.
- The Economic Survey for FY23 has indicated a growth rate of 6.5% for FY24 with more downside risks. Inflation risks are likely to be lower for India in FY24.

New Appointments

Name	Designation
Shri. K Satyanarayana Raju	MD & CEO, Canara Bank

Forex

Foreign Exchange Reserves		
Item	As on February 24, 2023	
	₹ Cr.	US\$ Mn.
	1	2
1 Total Reserves	4641716	560942
1.1 Foreign Currency Assets	4103554	495906
1.2 Gold	345484	41751
1.3 SDRs	150492	18187
1.4 Reserve Position in the IMF	42186	5098

Source: Reserve Bank of India

BASE RATES OF ALTERNATIVE REFERENCE RATES (ARRs) FOR FCNR (B) DEPOSITS APPLICABLE FOR THE MONTH OF MARCH, 2023

Currency	Rates
USD	4.55
GBP	3.9274
EUR	2.398
JPY	-0.009
CAD	4.5000

Currency	Rates
AUD	3.35
CHF	0.943507
NZD	4.75
SEK	2.899
SGD	3.6511

Currency	Rates
HKD	2.29298
MYR	2.72
DKK	2.0170

Source: www.fbil.org.in

Glossary

Payment Aggregators

Payment Aggregators (PAs) are entities that facilitate e-commerce sites and merchants to accept various payment instruments from the customers for completion of their payment obligations without the need for merchants to create a separate payment integration system of their own. PAs facilitate merchants to connect with acquirers. In the process, they receive payments from customers, pool and transfer them on to the merchants after a time period.

Financial Basics

Net Asset Value (NAV)

Net Asset Value is the net value of an investment fund's assets less its liabilities, divided by the number of shares outstanding. It is commonly used as a per-share value calculated for a mutual fund or an Exchange Traded Fund (ETF). It is calculated at the end of each trading day based on the closing market prices of the portfolio's securities.

Institute's Training Activities

Training Programmes for the month of March 2023

Programmes	Date	Location
Programme on Managing Operational Risk at Branches – Preventing Frauds & Strengthening Internal Controls	2 nd - 4 th March, 2023	Virtual
Programme on Certificate in Risk in Financial Services	2 nd - 4 th March, 2023	
Programme on Credit Appraisal-with focus on MSME	2 nd - 4 th March, 2023	
Programme on Certified Bank Trainer	10 th -12 th March, 2023	
Programme on Banking Compliance	13 th - 15 th March, 2023	
Programme on MSME Lending and Restructuring	13 th - 15 th March, 2023	
Programme on Emerging Trends in Digital Banking & Marketing of Digital Products	14 th -15 th March, 2023	
Programme on Discipline Management & Disciplinary Action Procedures in Banks & FIs	20 th - 21 st March, 2023	

News from the Institute

IIBF organises the Annual HR Conference

On 4th March, 2023, the Institute organised the Annual HR Conference at its Corporate office, Mumbai. The keynote address was delivered by Mr. Swarup Dasgupta, Executive Director, Bank of India followed by a presentation by CEO, IIBF on the new initiatives taken by the Institute. A panel discussion on “VUCA World: A Road ahead for HR & Talent Management in Banks” was held. The panellists being Mr. A.K.Pathak, CGM, BOI; Mr. Mugunthan, GM, RBI; Ms. Carmistha Mitra, Group CLO, Axis Bank and Mr. Sangram Pradhan, HR Head, Yes Bank. VUCA is an acronym for Volatility, Uncertainty, Complexity and Ambiguity. The conference was organised to provide some insight to the HR professionals on managing talent in VUCA environment. The conference was attended by HR heads of various banks with interactive sessions and well appreciated.

IIBF releases the second edition of Banking & Finance Yearbook, 2023

IIBF releases the much-awaited second edition of the “Banking & Finance Yearbook, 2023”. It is a comprehensive digest of all major developments, trends, expert views and regulatory changes across different verticals in Banking & Finance domain the year ended December 31, 2022. Further, the extracts of important speeches rendered by senior officials of RBI, select articles published in IIBF’s journal Bank Quest have been included for giving the reader a wholesome reading experience. The book is available on Amazon both as a paperback and as a Kindle edition. The book will also be available in the retail outlets of our publisher, M/S Taxmann Publications (Pvt.) Ltd.

IIBF - IFC to jointly launch a Certificate course on Climate Risk and Sustainable Finance

The Institute has entered into an agreement with International Financial Corporation (IFC) for providing a certification course on Climate Risk and Sustainable Finance. The course will be provided in the form of e-learning comprising of 4-6 hours of learning followed by an assessment. The certificate will be jointly issued by IIBF and IFC.

JAIIB/DB&F/SOB/CAIIB - Introduction of Revised Syllabi

The syllabi of JAIIB/DB&F/SOB/CAIIB courses have been restructured and revised to make them more contemporary, conceptual and ensure greater value addition. In this regard, the CEO of the Institute addressed a message to the members on the need for revising the syllabi. A detailed notice, about the subjects under the revised syllabi, the examination pattern, time limit for passing, passing criteria etc. has also been placed on the website. To make the transition more candidate friendly, credits for certain subjects have been allowed from the old syllabi to the new syllabi. The examinations, under the revised syllabi, will be held from May/June 2023 onwards. The negative marking rule has been deferred by the Institute. For more details, please visit our website www.iibf.org.in.

IIBF invites Application for Research Fellowship in “Banking Technology”: 2022-23 (Joint initiative of IIBF & IDRBT)

The Institute invites applications for Research Fellowship in “Banking Technology”: 2022-23 (Joint initiative of IIBF & IDRBT). The research fellowship in Banking Technology, aims to sponsor technically and economically feasible technology research projects which has the potential to contribute significantly to the Banking and Financial Sector. The last date for receipt of applications is 31st March, 2023. For more details visit: www.iibf.org.in

IIBF invites Application for Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) – 2022-2023

The Institute invites applications for DJCHBBORF 2022-23. The objective of the fellowship is to provide the successful candidate an opportunity to undertake a research study on the latest developments in the field of banking and finance in India or abroad. The last date for receipt of applications has been extended to 10th April 2023. For more details visit: www.iibf.org.in.

IIBF invites proposals under Micro Research 2022-23

The Institute invites applications for Micro Research, 2022-23 for members of the Institute (bankers) to present their original ideas, thoughts and best practices on areas of their interest. The last date for receipt of applications has been extended to 10th April 2023. For more details visit: www.iibf.org.in

Bank Quest Theme for upcoming issue

The theme for the upcoming issue of Bank Quest for the quarter January – March, 2023 is “Increased footprints of Financial Planning and Wealth Management”.

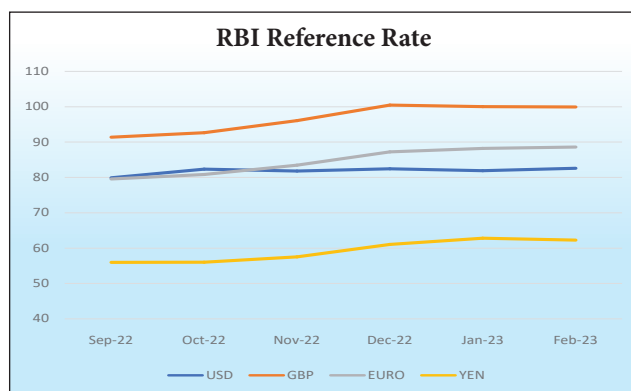
Cut-off date of guidelines /important developments for examinations

The Institute has a practice of asking questions in each exam about the recent developments / guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. However, there could be changes in the developments / guidelines from the date the question papers are prepared and the dates of the actual examinations. In order to address these issues effectively, it has been decided that: (i) In respect of the exams to be conducted by the Institute for the period from February 2023 to July 2023, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December 2022 will only be considered for the purpose of inclusion in the question papers. (ii) In respect of the exams to be conducted by the Institute for the period from August 2022 to January 2023, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June 2022 will only be considered for the purpose of inclusion in the question papers.

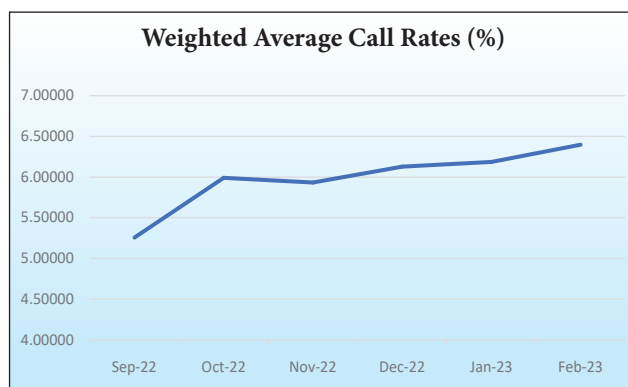
Green Initiative

Members are requested to update their e-mail address with the Institute and send their consent to receive the Annual Report via e-mail.

Market Roundup

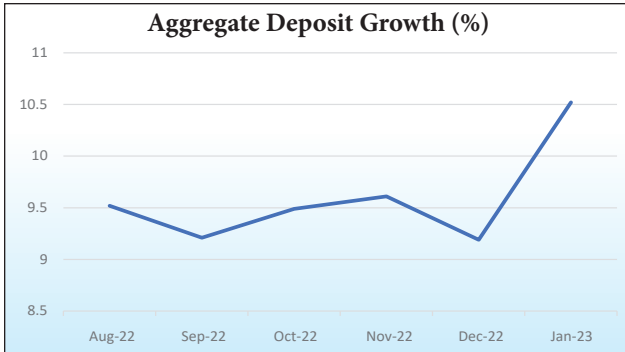


Source:FBIL

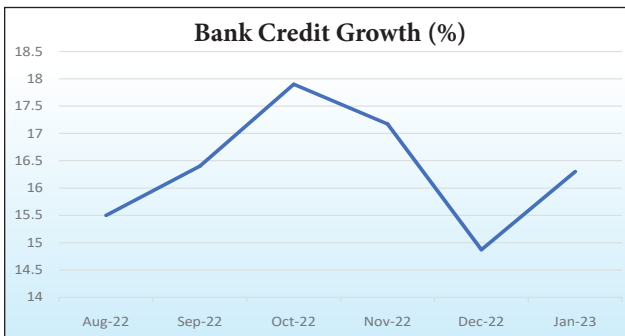


Source: Weekly Newsletter of CCIL

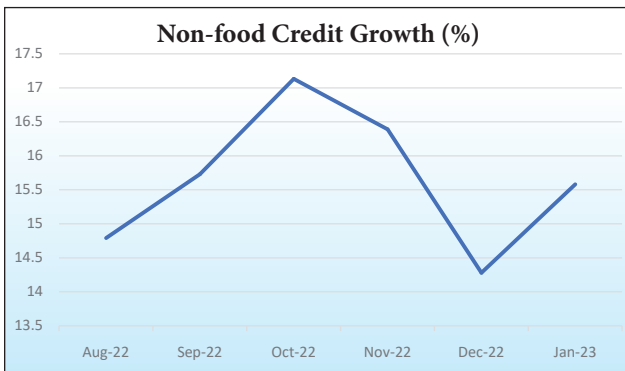
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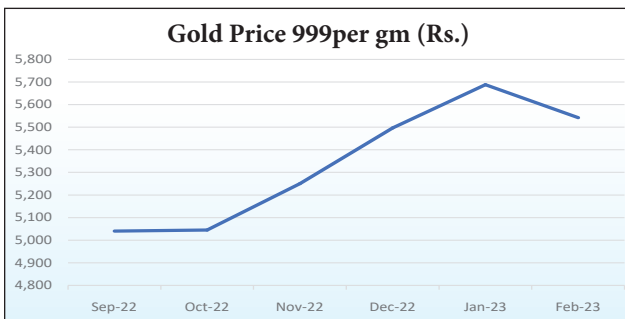
Source: Monthly Review of Economy, CCIL, February, 2023



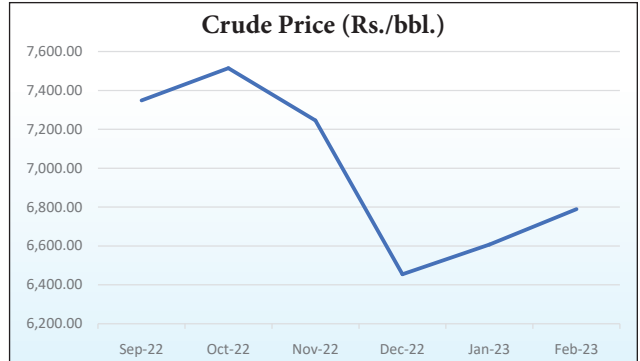
Source: Reserve Bank of India



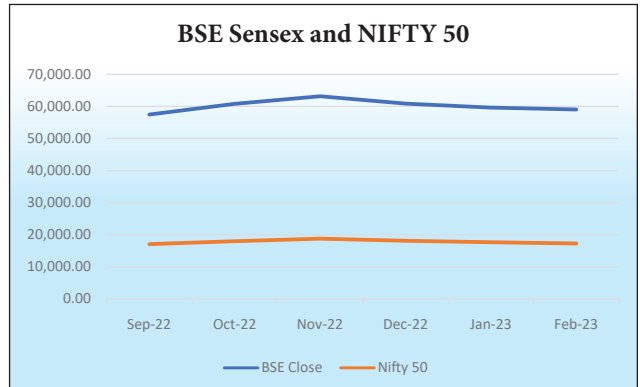
Source: Monthly Review of Economy, CCIL, February, 2023



Source: Gold Price India



Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE

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