



Committed to professional excellence

IIBF VISION

Volume No. : 12

Issue No. : 1

August 2019

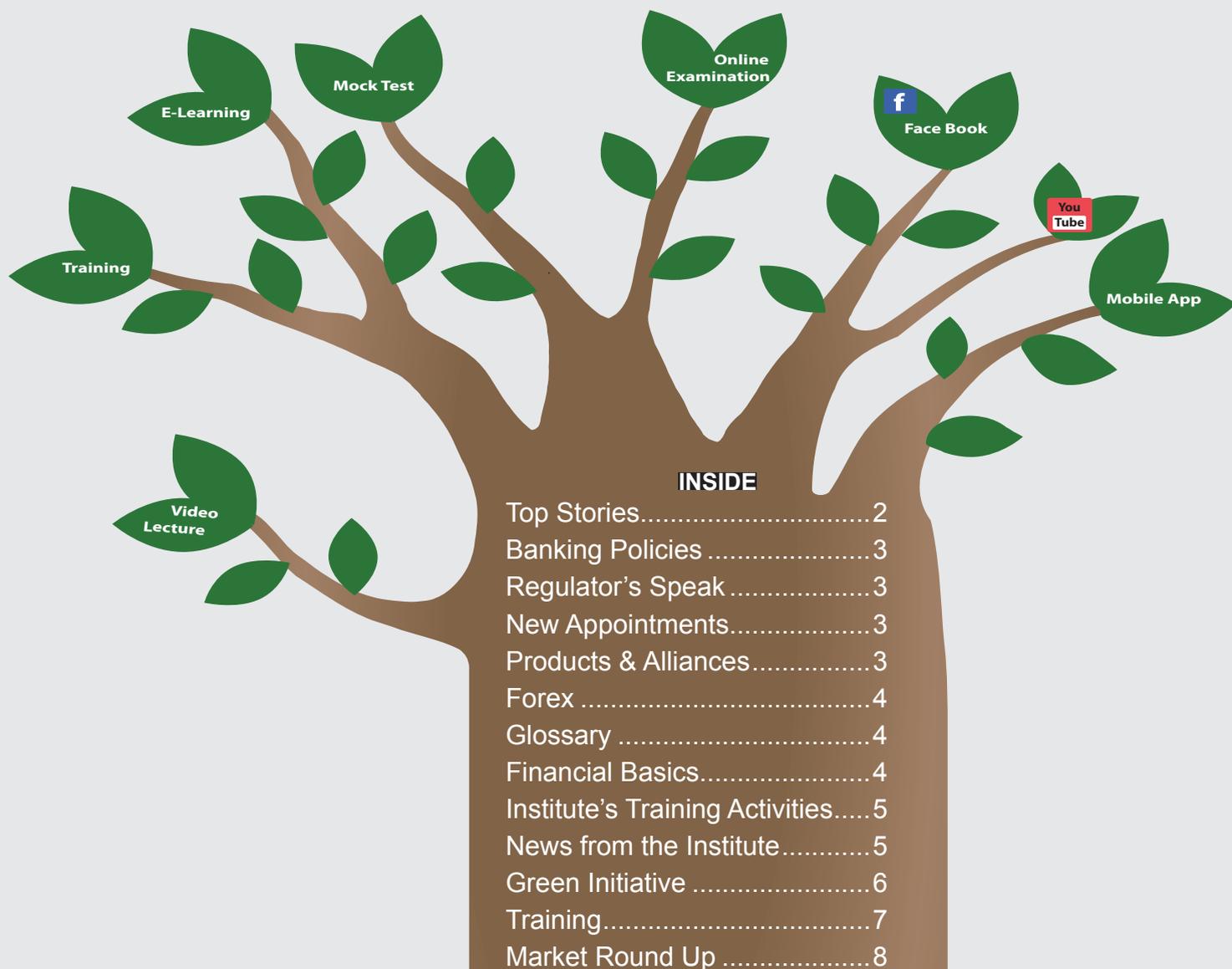
No. of Pages - 8

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.



"The information / news items contained in this publication have appeared in various external sources / media for public use or consumption and are now meant only for members and subscribers. The views expressed and / or events narrated/ stated in the said information / news items are as perceived by the respective sources. IIBF neither holds nor assumes any responsibility for the correctness or adequacy or otherwise of the news items / events or any information whatsoever."

TOP STORIES

RBI forms working group on core investment firms

The Reserve Bank of India (RBI) has constituted a working group to review the regulatory guidelines and supervisory framework applicable for **Core Investment Companies (CICs)**, since the extant framework is not adequate to handle the complex corporate governance structures that CICs have now become. CICs are holding companies of NBFCs. The working group would be examining the current regulatory framework for CICs in terms of adequacy, efficacy and effectiveness and will suggest changes therein. It will also review the appropriateness of RBI's current approach towards registration of CICs and will suggest measures to strengthen corporate governance and disclosure requirements for the same. The working group will also advise on appropriate measures to enhance the RBI's off-sight surveillance and on-site supervision over CICs.

RBI opens banks' liquidity tap for NBFCs, HFCs

The RBI has announced an additional liquidity facility worth Rs. 1,34,000 crore for banks to purchase assets from and on-lending to NBFCs and HFCs. This would be available within the Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) within the mandatory SLR requirement. With immediate effect, banks will be permitted to reckon an increase in FALLCR of 1% of the banks' NDTL as level 1 HQLA for computing LCR, to the extent of incremental outstanding credit to NBFCs and HFCs, over and above the amount of credit to NBFCs / HFCs outstanding on their books as on date.

IBBI puts age cap on resolution professionals

Resolution professionals will not be eligible to obtain the 'Authorization for Assignment' from the Insolvency Professional Agency (IPA) once they attain 70 years of age. From January 1, 2020, insolvency professionals cannot take up assignments in absence of this authorization. The age limit has been put in place considering the work pressures of resolution professionals. However, there is no age bar in being employed as a professional with an Insolvency Professional Entity (IPE).

An individual can seek registration as an insolvency professional even while in employment; but will need to surrender the employment in order to have an "Authorization for Assignment". The authorization can be surrendered again, in favour of employment. Also, insolvency professionals cannot engage or appoint any of their relatives or related parties for or in connection with any work relating to any of the Corporate Insolvency Resolution Process (CIRP) assignments. This restriction will hold good for a period of 12 months from the date of his cessation from such process. They cannot get employed even with the creditors (with voting power in excess of 10%) supporting the corporate debtor.

RBI adopts framework to strengthen citizens trust

The RBI's medium-term strategy framework, named Utkarsh 2022, will guide the bank's inner workings through 2022. The framework will be focused around achieving excellence in the RBI's mandates and strengthening the trust of citizens and other institutions. The framework stipulates five core purposes of the RBI, as follows: To foster confidence in the internal and external value of the rupee; to contribute to macro-economic stability to regulate markets and institutions under its ambit to ensure financial system stability and consumer protection; to promote the integrity, efficiency, inclusiveness and competitiveness of the financial and payment systems; to ensure efficient management of currency and banking services to the government & banks; and, to support balanced, equitable and sustainable economic development of the country.

IBBI: Liquidation process must be completed in a year

IBBI has changed the process of liquidation to make it finish within one year of its commencement. Furthermore, a compromise between the stakeholders must happen within 90 days of the liquidation order.

Banking Policies

RBI relaxes overseas borrowing norms for Companies, NBFCs.

In keeping with revised External Commercial Borrowing (ECB) guidelines, RBI has permitted corporate borrowers classified as SMA-2 (Special Mention Account 2) to raise foreign currency funds and use the proceeds to make one-time bad loan settlements with their domestic lenders. Indian banks can also sell these loans to foreign lenders abroad.

Companies have also been allowed to raise ECBs with minimum average maturity period of 7 years for repayment of rupee loans availed domestically for capital expenditure. For borrowings for purposes other than capital expenditure, and, for on-lending by NBFCs, the minimum average maturity period of the ECB is required to be 10 years.

Regulator's Speak

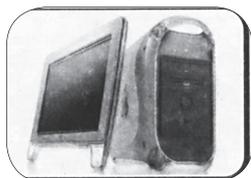
Prudent fiscal policies critical for growth, Uncertain times ahead: RBI Governor

RBI Governor Mr. Shaktikanta Das has stated that the global economy is moving into a “new and unsettling phase” where “solutions are turning more difficult to come by in an environment of stressed trade negotiations, rising geopolitical confrontation, limited policy space and high debt levels. He also stated that “it is important that policies of monetary and fiscal authorities are well-calibrated so that they support growth without further build-up of leverage and asset price bubbles. Prudent policies are critical to growth with macro-economic stability. Globally, we need to focus on policy space, use it judiciously, and simultaneously undertake structural reforms to improve productivity innovation and job creation.”

In an apparent indication to the US, RBI Governor Mr. Shaktikanta Das said that charges of currency manipulation made by one country against another portrays “bilateral hegemony” and ensuring orderly exchange rates is the responsibility of multilateral institutions like the IMF and not individual nations. He suggested that closer co-ordination between monetary and fiscal policies across the world will cushion the impact of the growth slowdown.

New Appointments

Name	Designation/Organisation
Mr. Rajiv Kumar	Appointed as Finance Secretary in Department of Financial Services (DFS)
Ms. Anshula Kant	Appointed as Managing Director and Chief Financial Officer of the World Bank.
Mr. Karnam Sekar	Appointed as Managing Director & Chief Executive Officer of Indian Overseas Bank



Products & Alliances

Organisation	Organisation tied up with	Purpose
State Bank of India (SBI)	National Investment and Infrastructure Fund (NIIF)	To boost the availability of capital for infrastructure projects
Karnataka Bank	Vasool So-Ft	For digitalizing the NPA recovery process
Bank of Baroda	Pine Labs	To provide affordable solutions to the bank's debit card holders of the bank through POS-based EMI solutions, and to the merchant segment by way of fintech lending solutions based on POS-linked digital transactions.

Organisation	Organisation tied up with	Purpose
Bank of Baroda	CRISIL Ltd.	For assessing the credit quality of its existing and prospective customers in the SME segment.

Forex

Foreign Exchange Reserves		
Item	As on 26 th July, 2019	
	₹ Bn.	US\$ Mn.
	1	2
1 Total Reserves	29,620.2	4,29,649.3
1.1 Foreign Currency Assets	27,531.5	3,99,357.3
1.2 Gold	1,746.2	25,330.0
1.3 SDRs	99.6	1,444.2
1.4 Reserve Position in the IMF	242.9	3,517.8

Source: Reserve Bank of India

Benchmark Rates for FCNR (B) Deposits applicable for August 2019					
Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	2.04300	1.85900	1.79600	1.77080	1.77890
GBP	0.68450	0.6825	0.6739	0.687	0.7090
EUR	-0.41000	-0.433	-0.397	-0.374	-0.313
JPY	-0.05130	-0.081	-0.093	-0.094	-0.093
CAD	2.10000	1.818	1.783	1.771	1.770
AUD	0.93700	0.860	0.870	0.990	1.050
CHF	-0.77750	-0.828	-0.811	-0.774	-0.712
DKK	-0.31550	-0.3193	-0.3000	-0.2583	-0.2015
NZD	1.33000	1.246	1.236	1.261	1.311
SEK	-0.11700	-0.135	-0.118	-0.070	-0.005
SGD	1.68800	1.655	1.645	1.650	1.670
HKD	2.10000	1.940	1.880	1.860	1.870
MYR	3.37500	3.350	3.380	3.410	3.430

Source: www.fedai.org.in

Glossary

Core Investment Companies (CICs)

Core Investment Companies (CICs) are those companies which have their assets predominantly as investments in shares for holding stake in group companies but not for trading, and also do not carry on any other financial activity. These companies have a minimum 90% of their assets in the group concerns either in the form of equity, preference shares or convertibles bonds or loans.

Financial Basics

Standard Deviation

Standard Deviation measures how spread out numbers are from an average value for a given data set. It can be calculated by taking the square root of the variance, which itself is the average of the squared differences of the mean.

Institute's Training Activities

Training Programmes in August 2019		
Programme	Dates	Location
Post Examination Classroom Training For Certified Credit Professional	19 th to 21 st August 2019	Mumbai
Post Examination classroom learning for Certified Credit Professional	19 th to 21 st August 2019	Chennai
Post Examination Physical Classroom Training for Certified Bank Trainer	25 th to 29 th August, 2019	Mumbai
Post Examination Physical Classroom Learning for Certificate in Risk in Financial Services Course	26 th to 28 th August, 2019	PDC Chennai
Post Examination Physical Classroom Learning for Certificate On Risk In Financial Services Course	26 th to 28 th Aug. 2019	IIBF, PDC, North Zone
Programme On "Balance Sheet Reading And Ratio Analysis"	30 th to 31 st August, 2019	IIBF PDC Centre, Chennai

News from the Institute

Annual General Meeting

The 92nd Annual General Meeting of the Institute is scheduled to be held on 23rd August 2019 at 4.00 pm at the Conference Hall, Indian Institute of Banking & Finance, Maker Tower, 'F' Wing, 19th Floor, Cuffe Parade, Mumbai - 400 005.

One-day workshop on Insolvency and Bankruptcy Code (IBC), 2016 at New Delhi

The Institute, as part of its Member Education series, is organising a one-day workshop on "Insolvency and Bankruptcy Code (IBC), 2016 on 6th September 2019 at Tagore Chamber, Scope Complex, 7, Lodhi Road, New Delhi - 110003. The Chief Guest for the occasion is Dr. M.S.Sahoo, Chairperson, IBBI. A nominal fee of Rs. 1,000 will be required to be paid by participants who are interested in attending the workshop.

Self-paced E-learning (SPeL) Courses

The Institute is pleased to announce Self-Paced E-learning courses for two of its certificate courses viz Digital Banking and Ethics in Banking. The objective of this self-paced e-learning is to provide a more conducive training environment to professionals employed in the banking & finance sectors. Under the self-pace e-learning mode, a candidate will have the flexibility to register for the exam, learn at his/her own pace and finally take an examination from his/her own place. Online registrations for the two courses has commenced from 9th April 2019. For more details, please visit the link <http://www.iibf.org.in/documents/SPeL-notice.pdf>.

Mandatory certification of Business Correspondents

The Reserve Bank of India, has revised the guidelines on BC certification mandating all Business Correspondents to be certified by IIBF. This is to ensure uniformity in standards and future mobility of BCs. The timelines for BC certification have been laid down. To cater to the completion of BC certification requirement for SCBs, three different models have been designed for conducting the examination.

IIBF will also be the sole certifying agency of the BCs of Payment Banks. A Separate certificate examination for these banks has been designed by the Institute.

Capacity Building in banks

The Institute offers courses in the five key areas of operations identified by RBI i.e. Treasury Management, Risk Management, Accounting, Credit Management, Foreign Exchange. These are blended in nature with an online examination followed by training for such of those candidates who have successfully cleared the online examination. The Certificate Course in Foreign Exchange, offered by IIBF in association with FEDAI, will be a mandatory certification for all bank employees who are working or desirous of working in the area of foreign exchange operations including treasury operations. Please visit the website www.iibf.org.in for examination registration and more details.

Virtual Classroom Solution

The Institute has acquired a software for conducting training through the Virtual Classroom mode. This will enable the Institute to disseminate the training inputs to a larger audience without diluting quality. Virtual training for Certificate in Risk in Financial Services, Certified Treasury Professional and Accounting & Audit have also been introduced. For more details, please visit our website www.iibf.org.in.

Mock Test facility for Examinations

The Institute is offering mock test facility for three of its specialised courses, namely, Certified Treasury Professional, Certified Credit Professional and Risk in Financial Services, in addition to its flagship courses viz JAIIB & CAIIB. The mock test can now be taken by any bank staff.

Video Lectures now available on YouTube

The facility of video lectures, offered by the Institute for 3 compulsory papers of JAIIB and 2 compulsory papers of CAIIB, is now made available on the Institute's official YouTubeChannel. The link to the same is <https://www.youtube.com/channel/UCjfflKtvEh8yLb3vwxosGow/playlists>". The Video Lectures for the Business Correspondents have also been recorded both in Hindi and English and these lectures have been placed on the You Tube channel of the Institute.

Bank Quest Theme for upcoming issue

The themes of "Bank Quest" for July – September 2019 issue is "Emerging technological changes in Banking"

Cut-off date of guidelines /important developments for examinations

The Institute has a practice of asking some 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 August 2019 to January 2020, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June, 2019 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 February 2020 to June 2020, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th December, 2019 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.

TRAINING

IIBF conducts Training programmes on different subjects and areas for the Officials of Commercial Banks/RRBs/Co-operative Banks and Financial Institutions.

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

<ul style="list-style-type: none"> ✓ CREDIT MANAGEMENT ✓ CREDIT APPRAISAL ✓ CREDIT MONITORING ✓ RECOVERY MANAGEMENT ✓ ADVANCED CREDIT APPRAISAL 	<ul style="list-style-type: none"> ✓ INTEGRATED TREASURY MANAGEMENT ✓ RETAIL BANKING ✓ HOUSING FINANCE ✓ RISK BASED INTERNAL AUDIT
<ul style="list-style-type: none"> • GENERAL TRAINING PROGRAMMES ✓ BRANCH MANAGERS PROGRAMME ✓ TURNAROUND STRATEGIES FOR LOSS MAKING BRANCHES ✓ LEADERSHIP DEVELOPMENT PROGRAMMES ✓ TRAINERS TRAINING PROGRAMME ✓ KYC/AML/CFT ✓ COMPLIANCE 	<ul style="list-style-type: none"> • Customised Training Programmes including induction training programmes for Banks/FIs based on their requirements

- **Experienced and qualified Faculty-Trainee oriented methods**
- **State-of-the-art Training facilities**
- **Environment encouraging learning**
- **Training facilities at Professional Development Centers at Chennai, New Delhi and Kolkata**
- **Customised Training programmes are conducted for the Banks/FIs as per their requirements including Induction Training Programmes.**

FOR FURTHER DETAILS, PLEASE CONTACT:

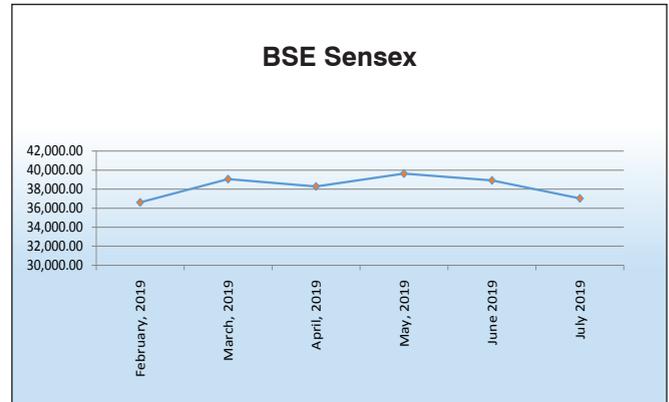
<p>Dr. T C G Namboodiri, Director (Training) Email: drnamboodiri@iibf.org.in; Ph 022 68507004; Cell: +91 99203 78486</p> <p>Ms. Ravita Wadhwa Dy. Director-Training, Ph: +91-22-68507032; Cell:+91 98718 99953 ; Email: ravita@iibf.org.in</p>	<p>Indian Institute of Banking & Finance (IIBF)</p> <p>Corporate Office, 3rd Floor, Kohinoor City, Commercial - II, Tower - I, Mumbai - 400 070, India. www.iibf.org.in</p>
---	---

• Registered with Registrar of Newspapers Under RNI No. : 69228/1998

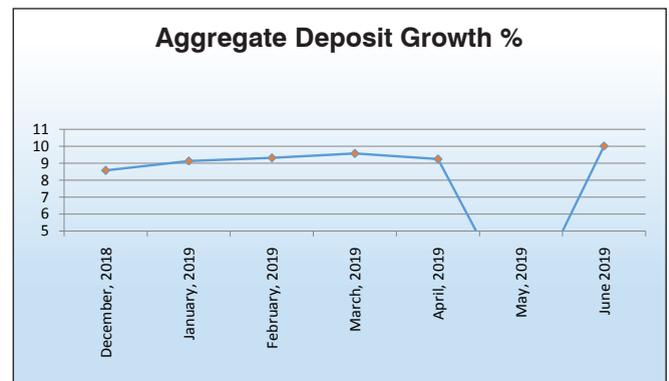
Market Roundup



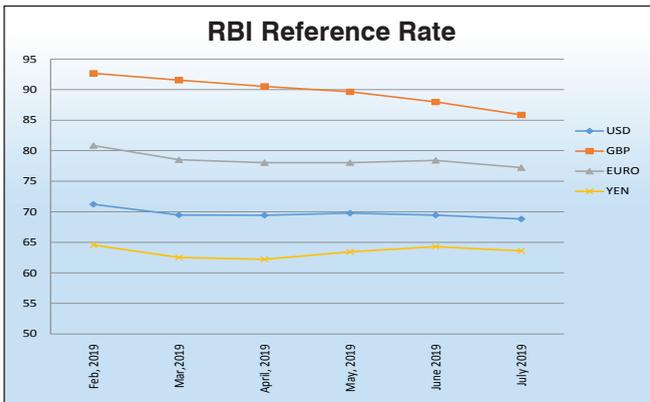
Source: CCIL News Letters - July 2019



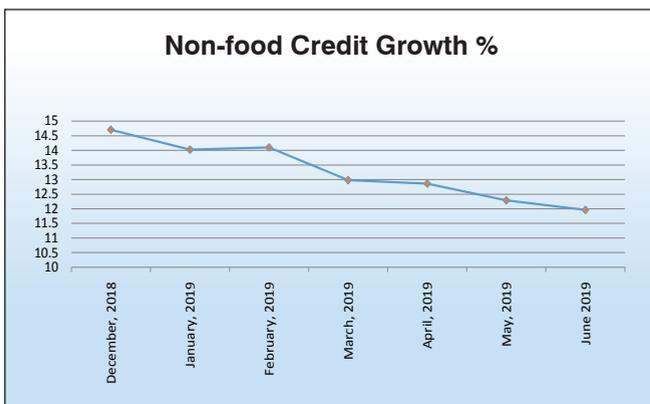
Source: Bombay Stock Exchange (BSE)



Source: Monthly Review of Economy CCIL, July 2019



Source: FBIL



Source: Monthly Review of Economy, CCIL, July 2019

Printed by Dr. J. N. Misra, **Published by** Dr. J. N. Misra on behalf of Indian Institute of Banking & Finance, and **printed at** Onlooker Press 16, Sasoon Dock, Colaba, Mumbai - 400 005 and **published from** Indian Institute of Banking & Finance, Kohinoor City, Commercial-II, Tower-I, 2nd Floor, Kirol Road, Kurla (W), Mumbai - 400 070.
Editor : Dr. J. N. Misra

INDIAN INSTITUTE OF BANKING & FINANCE
 Kohinoor City, Commercial-II, Tower-I, 2nd Floor, Kirol Road, Kurla (W), Mumbai - 400 070.
 Tel. : 91-22-2503 9604
 E-mail : admin@iibf.org.in
 Website : www.iibf.org.in