



Committed to professional excellence

IIBF VISION

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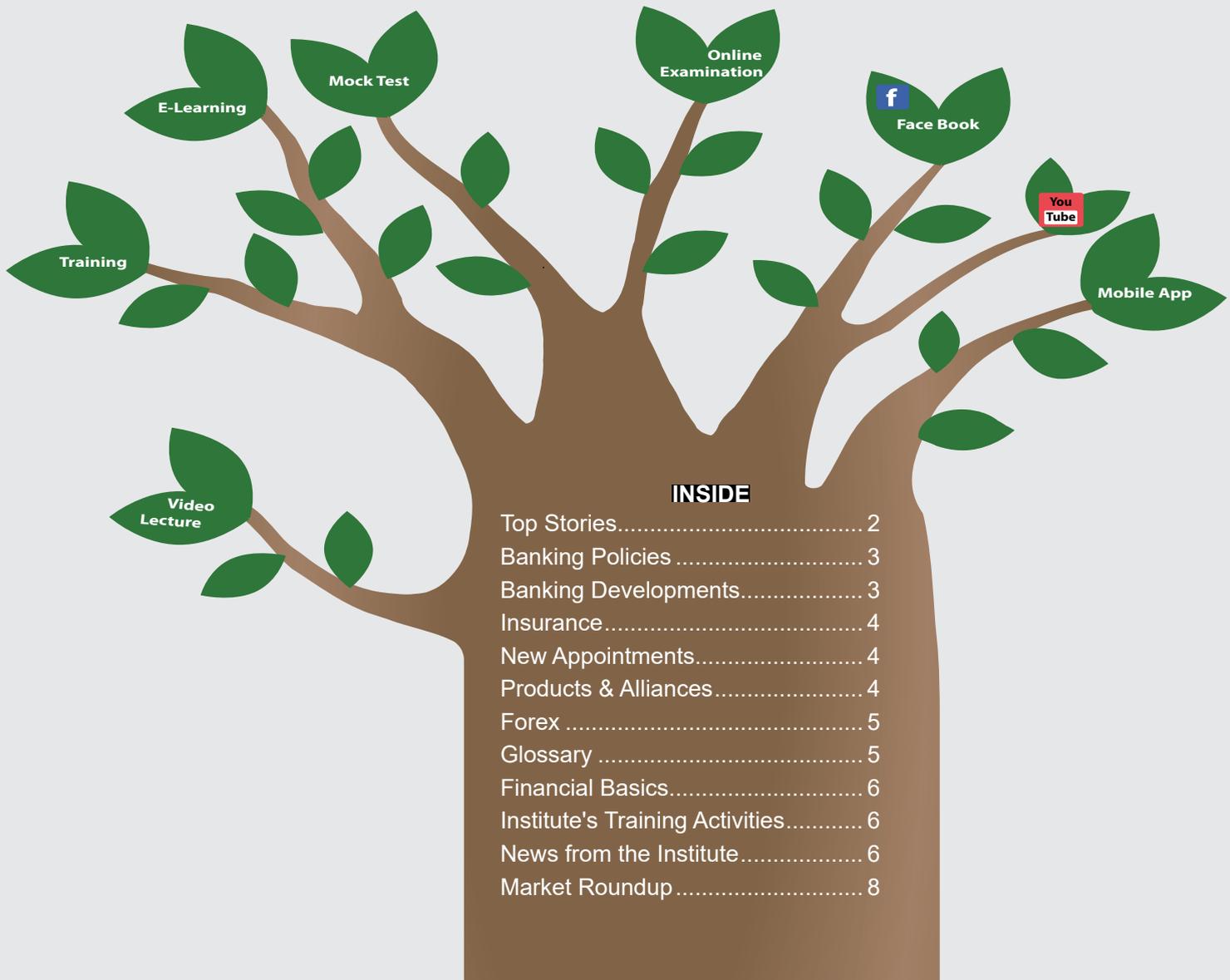
No. of Pages - 8

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.



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TOP STORIES**SEBI revises norms for written-off FPI securities**

SEBI has notified that the sale of written-off securities through stock exchange, held by non-operating Foreign Portfolio Investors (FPIs), and proceeds thereof net of expenses will need to be credited to its Investors Protection and Education Fund (IPEF) within seven days from the date of receipt. Similarly, corporate benefits received in form of cash or dividend will need to be credited to its Investors Protection and Education Fund (IPEF) within seven days from the date of receipt. In case of receipt of corporate benefits in the form of securities arising out of shares written off, the same shall be reported to SEBI in the normal manner.

RBI asks banks to supply 40% of notes to rural areas

RBI has directed banks maintaining currency chests to ensure that at least 40% of all banknotes, in denomination of ₹500 or below, are supplied to rural areas. Banks have to advise their currency chests to give high priority to issuing fresh notes to rural branches of RRBs, DCCBs and commercial banks, white label ATMs and post offices in rural areas.

GIFT City exchange approved

The National Stock Exchange (NSE) has received SEBI's in-principle approval to set up an international exchange at Gujarat International Finance Tec (GIFT) City. This exchange, named as NSEIFSC, is expected to go live by mid-February.

Airtel launches Payments Bank

After running pilot programmes in Rajasthan, Andhra Pradesh and Telangana, Airtel Payments Bank services are rolled out across the country. Users of the My Airtel mobile application will have the option to migrate from the digital wallet to a bank account by filling e-KYC details through Aadhar. To begin with, the customer's mobile number will be his/her bank account number. An interest rate of 7.25% will be paid on deposits in savings accounts. Airtel will also provide free personal accidental insurance of ₹1 lakh to every savings account user. On an added note, customers will get one minute of Airtel mobile talk time for every rupee deposited at the time of opening a savings account.

SEBI notifies rules for direct trade by FPIs in corporate bonds

SEBI has amended Foreign Portfolio Investor (FPI) regulations to allow Category I and II FPIs to directly access the corporate bond market without brokers. Domestic institutions such as banks, insurance companies and pension funds have also been allowed this facility. FPIs can now own up to 15% stake in an exchange; a move that is expected to attract foreign inflows in Indian capital market.

MFs can now invest in REITs

In a bid to attract more investors into Real Estate and Infrastructure Investment Trusts, SEBI has decided to allow investment by mutual funds in Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs). A mutual fund would be permitted to invest only up to 5% of its net asset value in units of a single issuer of REITs and InvITs. In case of index fund or sector or industry specific scheme, pertaining to REITs and InvITs, the limit would be 10% of its NAV in units of REITs and InvITs.

Banking Policies

RBI curbs on overseas direct investment

RBI has issued prohibitions on making direct investment in an overseas entity (set up or acquired abroad directly as a Joint Venture (JV) / Wholly owned Subsidiary (WoS) or indirectly as step-down subsidiary) located in the countries identified by the Financial Action Task Force as 'non-co-operative countries and territories' because such countries have weak structures to combat money laundering and financing of terrorism.

Banking Developments

Registered FPIs can run IFSC operations: SEBI

SEBI has now allowed registered Foreign Portfolio Investors (FPIs) to set up operations in international financial services centres (IFSCs) without additional documentation. FPIs desirous of participating in IFSCs will be required to ensure clear segregation of funds and securities. Custodians will have to monitor compliance with this provision for their respective FPI clients. In turn, the FPIs will have to keep their respective custodians informed of their participation in the IFSC.

Crisil's new credit rating system for infra projects

Crisil has launched a new credit rating framework, in consultation with the Ministry of Finance, for infrastructure projects to facilitate greater participation from long-term investors and lenders. The new credit rating system is based on the 'expected loss' (EL) methodology. The rating will be an expert judgement on EL over the life of the debt instrument by taking into account the two pillars of credit risk – the probability of default (PD), and the prospects of recovery.

NPCI upgrades BHIM App

The National Payments Corporation of India (NPCI) has upgraded Bharat Interface for Money (BHIM) App, the nationwide common platform for making simple, easy and quick payment transactions using the Unified Payments Interface (UPI). The updated BHIM version 1.2, which is available on Google Play Store, offers enhanced security features (such as 'Pay to Aadhaar Number' and a 'Spam Report' to help users block unknown persons requesting for money) and superior user experience to make digital transactions much more safe and secure.

India Post gets license to start banking services

Following Bharti Airtel and Paytm, the India Post has received payments bank license from RBI to start commercial banking operations. Payments banks can accept deposits up to ₹1 lakh per account from individuals and small businesses. They are set up as differentiated banks and will confine their activities to acceptance of demand deposits, remittance services, Internet banking and other specified services.

India Post Payment Bank pilots in Ranchi, Raipur

India Post Payments Bank (IPPB) has rolled out its pilot services in Raipur and Ranchi. It will offer an interest rate of 4.5% on deposits up to ₹25,000 and 5% on deposits of ₹ 25,000 – ₹50,000 – ₹1 lakh. IPPB and India Post will work in tandem to deliver benefits of government schemes and financial services that are not easily available in rural areas, and to the marginalized population in urban areas. IPPB is hoped to have a multiplier impact on Indian banking, as lakhs of postmen are connected with masses in the rural areas. Set up as a 100% government-owned public limited company under the Department of Posts, it will open around 650 branches in district headquarter locations by September. All 1.55 lakh post offices, including the 1.30 lakh rural post offices, will be mapped to the IPPB branch at the district headquarter and function as access points. 1,000 ATMs of India Post will be transferred to IPPB.



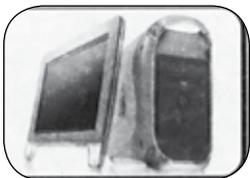
Insurance

IRDAI panel to review life insurance product norms.

The Insurance Regulatory and Development Authority of India (IRDAI) has constituted an eight-member committee, under the Chairmanship of Mr. Amitabh Chaudhry, CEO, HDFC Standard Life Insurance Company, to review life insurance product regulations.

New Appointments

Name	Designation/Organisation
Ms. Surekha Marandi	Appointed as Executive Director, RBI
Mr. Mani Palvesan	Joined State Bank of Hyderabad as Managing Director



Products & Alliances

Organisation	Organisation tied up with	Purpose
YES Bank	T-Hub, Anthill	To launch Yes Fintech, a business accelerator programme with T-Hub, Anthill

Forex

Foreign Exchange Reserves		
Item	As on January 20, 2017	
	₹ Bn.	US\$ Mn.
Total Reserves	24,549.5	3,60,775.2
(a) Foreign Currency Assets	23,030.8	3,38,434.4
(b) Gold	1,262.9	18,584.1
(c) SDRs	98.2	1,441.9
(d) Reserve Position in the IMF	157.6	2,314.8

Source: Reserve Bank of India (RBI)

Benchmark Rates for FCNR(B) Deposits applicable February 2017					
Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	1.25930	1.51820	1.72500	1.86590	1.99840
GBP	0.44030	0.7086	0.8395	0.9539	1.0580
EUR	-0.20000	-0.141	-0.017	0.082	0.215
JPY	0.04130	0.056	0.073	0.093	0.118
CAD	1.10000	1.125	1.261	1.387	1.501
AUD	1.84700	1.920	2.070	2.430	2.550
CHF	-0.66000	-0.643	-0.543	-0.426	-0.304
DKK	-0.02950	0.0517	0.1800	0.3130	0.4547
NZD	2.20000	2.500	2.760	2.965	3.135
SEK	-0.44400	-0.253	-0.018	0.215	0.458
SGD	1.29750	1.580	1.820	2.030	2.180
HKD	1.33000	1.650	1.890	2.080	2.220
MYR	3.52000	3.580	3.670	3.730	3.820

Source: www.fedai.org.in

Glossary

Joint Venture (JV)/ Wholly Owned Subsidiary (WOS)

JV/WOS means a foreign entity formed, registered or incorporated in accordance with the laws and regulations of the host country in which the Indian party makes a direct investment.

A foreign entity is termed as JV of the Indian Party when there are other foreign promoters holding the stake along with the Indian Party. In case of WOS entire capital is held by the one or more Indian Company.

Financial Basics

Rupee Drawing Arrangement (RDA)

Rupee Drawing Arrangement (RDA) is a channel to receive cross-border remittances from overseas jurisdictions. Under this arrangement, the Authorised Category I banks enter into tie-ups with the non-resident Exchange Houses in the FATF (Financial Action Task Force) compliant countries to open and maintain their Vostro Account.

Institute's Training Activities

Training Programmes for the month of March, 2017

Sr. No.	Name of the Programme	Date	Location
1.	Credit Monitoring	2 nd March to 4 th March 2017	Mumbai
2.	Trainers Training Programme	20 th March to 24 th March 2017	Kolkata
3.	Recovery Management	6 th March to 8 th March 2017	Delhi

News from the Institute

Examination at Institute's own Test Centres at Mumbai and Kolkata

The Institute is pleased to announce opening of its own test centres at Mumbai and Kolkata. The Certificate examinations for AML/KYC, SME Finance for bankers and Customer Service & Banking Codes and Standards will be conducted fortnightly at these test centres.

The first such examination date is on 25th February 2017. For these examination dates, cut-off for guidelines / important developments for examinations will be 31st December 2016. For more details visit www.iibf.org.in.

Important Announcement for candidates appearing for JAIIB / DB&F / CAIIB Examinations - November/ December 2016

The Institute has decided to postpone the JAIIB, DB&F and CAIIB Examinations, scheduled to be held in the month of November/December 2016, to January/March 2017. For more details visit www.iibf.org.in.

Last date extension for Micro/Macro Proposals

The Institute, had earlier stipulated the last date for submission of Micro Papers & Macro Proposals for the year 2016-17 as 31st January 2017. In view of the recent banking developments, the last date for submission of proposals has now been extended to 28th February 2017. For details visit www.iibf.org.in.

Call for Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) 2016-17

The Institute invites application for DJCHBBORF. 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 is 28th February 2017. For more details visit www.iibf.org.in.

Seminar on Secur-e-Banking at Chennai

As part of its 'Member Education Series', the Institute is organising a seminar on Secur-e-Banking in association with Cyber Society of India on 17th February, 2017 at Hotel Taj Coromandel, Nungambakkam, Chennai – 600034.

The main objective of the seminar is to sensitize the bankers on the current developments in the cyber security space and the regulatory requirements connected therewith.

The Hon'ble Minister of State for Finance & Corporate Affairs – **Shri Arjun Ram Meghwal** will be delivering the Key Note Address. The seminar shall commence with a speech by Addnl DGP, Coastal Security Group, T.N. followed by three Thematic sessions.

Study tour for Egyptian bankers

The Institute arranged a study tour on SME Financing in India for 20 bankers from Egypt through Egyptian Banking Institute (EBI) from 6th February 2017 to 10th February 2017. The study tour comprised of visits to different banks and financial institutions wherein the delegates were explained the SME financing model followed in India along with various procedures including regulatory guidelines. The team also visited Reserve Bank of India. This was the 4th Study tour organised by the Institute for EBI.

The new rate of service tax

The Ministry of Finance, Department of Revenue has notified levying of 0.5% Krishi Kalyan Cess, on any or all the taxable Services w.e.f. 01st June 2016. The effective rate of Service Tax would be 14% + 0.5% (Swachh Bahart Cess) + 0.5% (Krishi Kalyan Cess) = 15.00%. Accordingly, the Institute has incorporated the change in all fees.

Bank Quest Themes for next issues

The themes for next issues of "Bank Quest" are identified as:

- January-March, 2017: Business Analytics
- April-June, 2017: Challenges in Infrastructure financing

KYC/AML & Customer Service Examination

The Institute is holding the Certificate Examinations in AML/KYC & Customer Service Examinations on a quarterly interval from April 2016 onwards. For details visit www.iibf.org.in

Cut-off date of guidelines /important developments for examinations

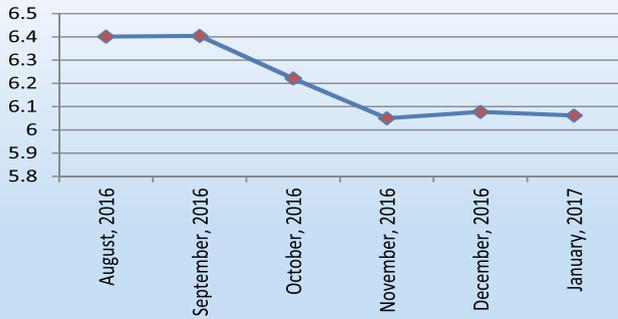
In respect of the exams to be conducted by the Institute during May/June of a calendar year, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December of the previous year will only be considered for the purpose of inclusion in the question papers.

In respect of the exams to be conducted by the Institute during November / December of a calendar year, instructions/guidelines issued by the regulator (s) and important developments in banking and finance up to 30th June of that year will only be considered for the purpose of inclusion in the question papers.

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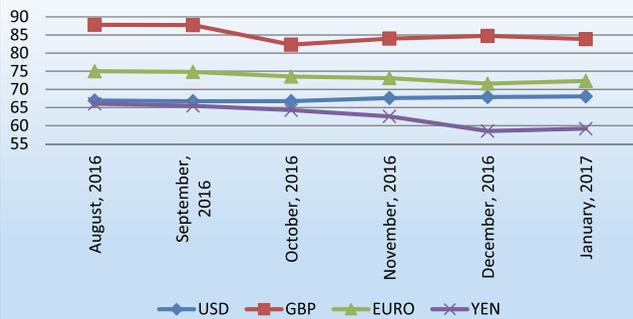
Market Roundup

Weighted Average Call Rates



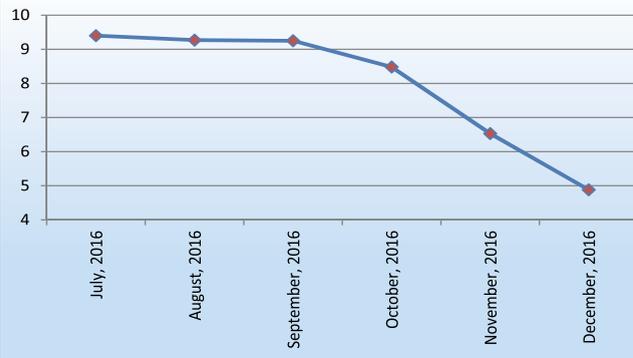
Source: CCIL Newsletters, 2016

RBI Reference Rate



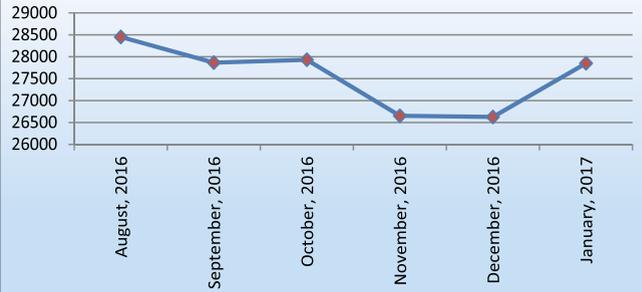
Source: Reserve Bank of India (RBI)

Non-food Credit Growth %



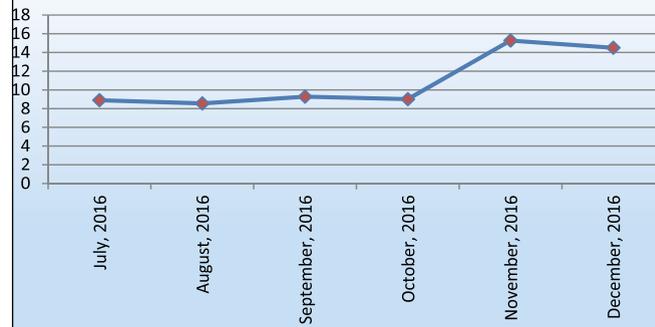
Source: Monthly Review of Economy, CCIL, January 2017

BSE Sensex



Source: Bombay Stock Exchange (BSE)

Aggregate Deposit Growth %



Source: Monthly Review of Economy, CCIL, January 2017

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