



Committed to professional excellence

IIBF VISION

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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

Indian CRA-rated investment-grade companies to benefit from ECB relaxations

Companies with investment-grade ratings from Indian Credit Rating Agencies (CRAs) can benefit from the RBI's relaxed rules on external commercial borrowings (ECBs), till December 31, 2022.

The limited-period offer will help more local borrowers to tap the global money hubs for funds. Borrowing limit of local companies rated as investment-grade by Indian CRAs, has been increased from USD 750 million to USD 1.5 billion via the ECB mechanism under the automatic route. The all-in cost ceiling under the ECB framework has also been raised by 100 bps.

Only cash pay-out for premature redemption under GMS: RBI

The RBI has specified that premature redemption of Medium- and Long-Term Government Deposit (MLTGD) under the Gold Monetisation Scheme (GMS) implemented through banks, will be payable only in Indian rupees. A depositor can choose to opt for physical gold only on maturity of the scheme. RBI has advised banks to seek the option of collecting maturity proceeds in gold or in Indian Rupee equivalent from the depositor, at the time of initial deposit itself.

NRIs can now pay bills through BBPS: RBI

Widening the scope of Bharat Bill Payment System (BBPS) to facilitate non-resident Indians (NRIs), the RBI has enabled it to accept cross-border in-bound bill payments. As a result, NRIs can make payments to any of the 20,000 billers on-boarded on the BBPS, in an interoperable manner. The move will allow NRIs to pay for education, utility, and many other kinds of bills on behalf of their India-based relatives; that too, without an NRE account.

RBI's FI-index accelerates to 56.4 points in 2022

The Reserve Bank of India's (RBI) financial inclusion (FI) index shot up to 56.4 points by end of March 2022, from 53.9 points in March 2021. Published in July every year, the index showed growth across all sub-indices.

FI index is based on 97 indicators and is responsive to availability and usage of services, deficiencies in services, ease of access, financial literacy, and consumer protection. Constructed without taking any base year into consideration, the index reflects the cumulative efforts undertaken by all stakeholders towards financial inclusion.

Banking Policies**RB-IOS to now address grievances against CICs**

After improving the customer grievance redressal mechanism for Regulated Entities such as banks and NBFCs, the apex bank has now brought Credit Information Companies (CICs) under the ambit of the Reserve Bank-Integrated Ombudsman Scheme (RB-IOS) 2021. The move will provide a cost-free alternate redressal mechanism to customers of REs for grievances against CICs, and is hoped to make the working of CICs more efficient.

RBI steps in to curb strong-arm tactics of loan recovery agents

Following a spate of complaints of unfair recovery practices and strong-arm tactics used by loan recovery agents, the RBI has notified banks, NBFCs, HFCs, co-operative banks, and ARCs to ensure that their recovery agents desist from humiliating borrowers publicly, or send them inappropriate messages via mobile or social media. Agents have also been asked to avoid calling borrowers before 8:00 a.m. and after 7:00 p.m. for recovery of overdue loans, and making false and misleading representations.

Banking Development

All Small Finance Banks eligible for authorised dealer category-I licence: RBI

The Reserve Bank of India has made eligible all scheduled small finance banks (SFBs) for authorised dealer (AD) category-I licence after completion of at least two years of operations as AD Category-II. This move is aimed at giving more flexibility to SFBs to meet their customers' foreign exchange business requirement. The eligibility norms, among others, for availing the AD Category I license includes minimum net worth of Rs. 500 crores, capital to risk-weighted assets ratio to be not less than 15%, net non-performing assets to not exceed 6% during previous four quarters, profit in the preceding two years, not defaulted in maintenance of CRR/SLR during previous 2 years.

RBI strengthens regulations to curb DLA-related malpractices

Credit delivery through digital lending methods is bringing several problems in its wake. In order to mitigate these problems, the RBI has divided digital lenders into three groups and has strengthened guidelines pertaining to regulatory framework for their lending activities. The three groups of digital lenders include entities regulated by the RBI and permitted to carry out lending business; entities authorised to carry out lending according to other statutory/ regulatory provisions but not regulated by the RBI; and, entities lending outside the purview of any statutory/ regulatory provision.

RBI has already issued guidelines for the first category of lenders. As for lenders in the second and the third categories, the RBI has asked respective regulator/ controlling authority/ the central government to formulate guidelines based on the recommendations of its working group formed in January 2021.

RBI opines that some of these recommendations need wider consultation with the government, to ensure that unregulated Digital Lending Apps (DLAs) do not conduct illegal digital lending business. The banking regulator is firm that lending business should be undertaken only by entities regulated by it, or other authorised regulatory bodies.

Regulator Speaks

RBI Governor wants banks to mobilise deposits, lessen reliance on RBI money

RBI Governor Shaktikanta Das wants banks to start mobilising more deposits to support credit growth. They cannot rely perennially on the central bank's money to support credit offtake. Banks have already started passing on the hike in repo rates to their depositors and the trend is expected to continue.

As for liquidity, the RBI Governor avers that the apex bank is constantly ensuring that there is adequate liquidity in the system. RBI will do two-way operations for dealing with the prevailing liquidity situation. "Last month there was a sudden squeeze on liquidity for 3-4 days because of very high GST and other tax collections. So, we conducted a fine-tuning operation of injecting repo of three days maturity" he said.

We aim to scale down inflation to 4% in next two years: Shaktikanta Das

RBI Governor Shaktikanta Das has stated that the central bank aims to lower inflation to its medium-term target of 4% in the next two years and its rate actions will be data-dependent. As per RBI's assessments, inflation has peaked and is now expected to moderate. The future course of action will depend on the incoming data, the way the situation unfolds, and the way in which the inflation-growth dynamic plays out.

Improving trade data integrity, adopting single valuation method important for corporate bond market: RBI Deputy Governor

During his keynote address at the Bombay Chamber of Commerce and Industry, RBI Deputy Governor T. Rabi Sankar said that improving the quality of trade data in the market and adopting a single valuation method are pertinent to resolving the challenges facing India's corporate bond market.

In the government bond market, information about each trade is disseminated in real-time, thus making high quality and timely information very important for this market. Secondary market trading in corporate bonds has not risen in consonance with the size of the market. One of the main impediments is that the market is dominated by highly rated issuers. In the previous financial year, 80% of issuances in value terms were from entities rated AAA.

Mr Rabi Sankar also addressed the overwhelming tendency for corporate entities to prefer private placement of bonds instead of public issuances, overlooking the well-documented advantages that public issuances have in terms of transparency and efficient price discovery.

RBI will wait to be convinced of durable fall in inflation: RBI Deputy Governor

RBI Deputy Governor Michael Patra has stated that even though headline retail inflation seems to be easing from a peak of 7.8% in April, the central bank is waiting for more incoming data before being convinced of the durability of moderating consumer prices. Delivering the keynote address at the SAARCFINANCE Seminar at New Delhi, Mr. Patra said, "While some easing of international commodity prices and supply chain pressures, both globally and domestically, are positive developments, upside risks remain in the form of potential second-order effects and the transmission of input cost pressures to the sticky core component of inflation".

Near-term inflation trajectory continues to rely heavily on evolving geopolitical developments, international commodity market dynamics, and developments in global financial markets. Mr. Patra said, "At the current juncture, our experience is that by frontloading monetary policy actions, credibility is demonstrated by showing commitment to the inflation target. Another dimension of monetary policy credibility is the timing of its response. A delay in the monetary policy response leads to a further loss of credibility, unhinging of inflation expectations and eventually, higher inflation outcomes with a higher sacrifice of growth".

The Deputy Governor averred that RBI has taken many initiatives to strengthen inflation monitoring and improve the accuracy of forecasting.

Economic Wrap Up

Performance of some of the key economic indicators, as per the Monthly Economic Report July 2022 from the Department of Economic Affairs:

- Headline retail inflation eased to 6.7% in July 2022.
- WPI Inflation too eased to 13.9% in July 2022.
- Global manufacturing PMI declined to a two-year low of 51.1 points in July 2022.
- Index of Industrial production and 8 core industries points towards strengthening of industrial activity, while PMI Manufacturing touched an 8-month high in July with marked gains in growth of new business and output.
- PMI services, remained comfortably in the expansionary zone at 55.5 points in July 2022.
- The IMF has revised India's real GDP growth projections for 2022 from 8.2% to 7.4%.
- The RBI in its August meeting of the Monetary Policy Committee (MPC) has retained the growth forecasts for 2022-23 made in the June meeting, at 7.2%.
- The GNPA ratio has declined to 5.7% in the June quarter of 2022

Appointments

Name	Designation
Mr. Inderjit Camotra	Managing Director & CEO, Unity Small Finance Bank

Forex

Foreign Exchange Reserves		
Item	As on August 26, 2022	
	₹ Cr.	US\$ Mn.
	1	2
1 Total Reserves	4480681	561046
1.1 Foreign Currency Assets	3982307	498645
1.2 Gold	316599	39643
1.3 SDRs	142411	17832
1.4 Reserve Position in the IMF	39363	4926

Source: Reserve Bank of India

BASE RATES OF ALTERNATIVE REFERENCE RATES (ARRs) FOR FCNR (B) DEPOSITS APPLICABLE FOR THE MONTH OF SEPTEMBER 2022

Currency	Rates
USD	2.28
GBP	1.6901
EUR	-0.080
JPY	-0.039
CAD	2.5000
AUD	1.85
CHF	-0.209150

Currency	Rates
NZD	3.00
SEK	0.661
SGD	1.8673
HKD	0.93645
MYR	2.25
DKK	-0.13

Source: www.fbil.org.in

Glossary

External Commercial Borrowings

The External Commercial Borrowings or ECBs is the financial instrument used to borrow money from the foreign sources of financing to invest in the commercial activities of the domestic country. External commercial borrowings cannot be used for the investments in a stock market or any speculation business.

Financial Basics

Limit Order

A limit order is a type of order to purchase or sell a security at a specified price or better. For buy limit orders, the order will be executed only at the limit price or a lower one, while for sell limit orders, the order will be executed only at the limit price or a higher one. This stipulation allows traders to better control the prices they trade.

Institute's Training Activities

Training Programmes for the month of September 2022

Programmes	Dates	Location
Certified Credit Professional	10 th to 12 th September	Virtual
Recovery and NPA Management	12 th to 14 th September	
Certified Treasury Professional	14 th to 16 th September	
Certified Audit and Accounting Professional	19 th to 21 st September	
Foreign Exchange Operations	20 th to 22 nd September	
Certificate In Risk in Financial Services	23 rd to 25 th September	

News from the Institute

12th R. K. Talwar Memorial Lecture

The 12th R. K. Talwar Memorial Lecture will be organised shortly by the Institute at SBI Auditorium, Nariman Point, Mumbai in physical mode. This time the lecture will be delivered by Mr. M. Rajeshwar Rao, Deputy Governor, Reserve Bank of India and the topic of the lecture is "Reflecting on policy choices for Indian Financial System". The event will also be livestreamed on the Institute's Facebook and YouTube channels. A book, compiling the previously held Memorial Lectures since 2007-2021, will also be launched during this event.

'IIBF's 2nd National Inter-Bank Quiz Contest "Banking Chanakya" Semi - Finale'

The Institute conducted the On-Ground Semi-Finale for the West Zone on 4th September, 2022 at IIBF's Corporate Office in Mumbai and well attended by bankers. The On-Ground Semi-Finale for the East Zone, North Zone and South Zone are to be held on 10th September, 18th September and 24th September, 2022 respectively. For more details, please visit the website <https://www.iibfbankingchanakya.com/>.

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

To keep pace with the developments and to ensure greater value addition to the flagship courses offered by IIBF, the syllabi of JAIIB/DB&F/SOB & CAIIB have been restructured to make them more conceptual and contemporary. The JAIIB/DB&F/SOB/CAIIB examinations under the revised syllabi are to be held from the May/June 2023 onwards. The last exams under JAIIB/DB&F/SOB/CAIIB as per the old syllabi (present syllabi) will be held during November/December 2022 after which, it will be discontinued. For more details, please visit our website www.iibf.org.in.

Revision in passing criteria of Self-Paced E-learning Course

The passing marks for the Final Evaluation/Test under the Self-paced E-learning mode for the Certificate Courses in DIGITAL BANKING & ETHICS IN BANKING have been revised from 70% to 60%. This will be effective for registrations done for Self-Paced E-learning Courses on or after 1st March 2022.

Launch of Certified BFSI Professional Course

IIBF, in collaboration with the National Institute of Securities Markets (NISM) and National Insurance Academy (NIA), virtually launched the Certified BFSI Professional course on 11th February 2022. This course is a unique and one-of-its kind initiative offered to aspirants desiring to make a career in the BFSI sector. It is a 187 hour E-learning programme to be completed over a duration of 9 months. For more details, please visit www.iibf.org.in.

E-learning for All

The Institute has introduced “E-learning for All” where any individual irrespective of his/her Membership status or Exam Registration status can access the E-learning modules developed by the Institute on various contemporary topics of Banking & Finance. 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 July – September, 2022: Fintech challenges for Banking Industry.

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 2022 to July 2022, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December 2021 will only be considered for the purpose of inclusion in the question papers.

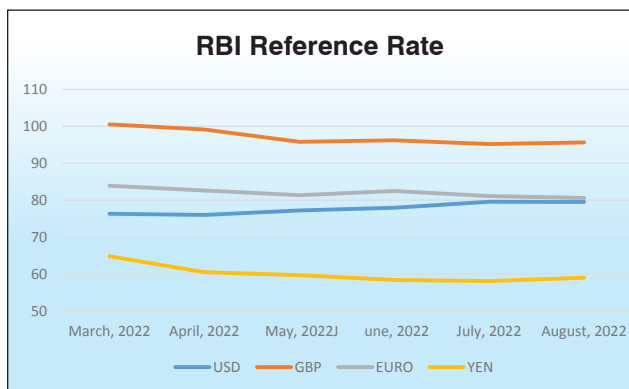
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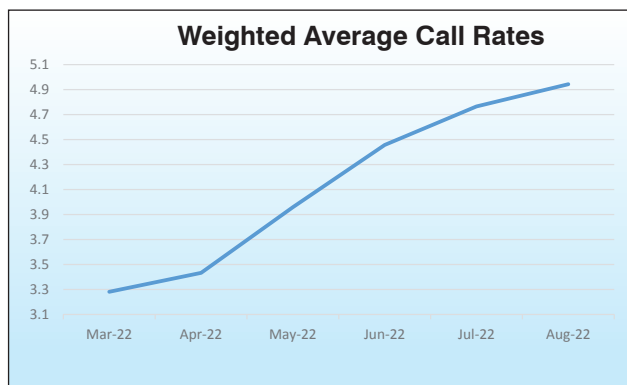
Green Initiative

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

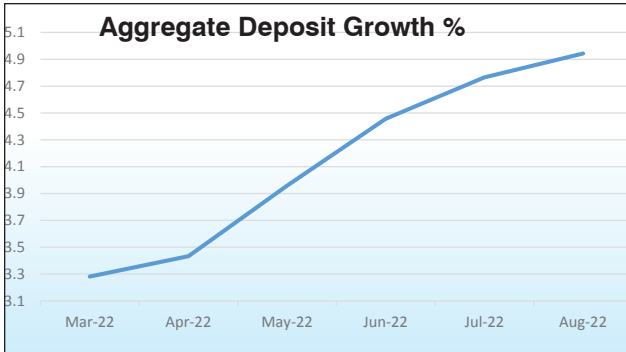


Source: FBIL

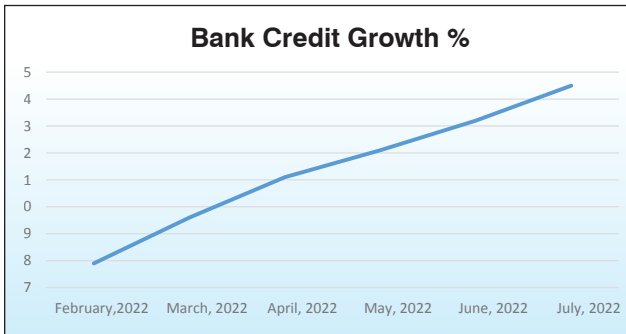


Source: Weekly Newsletter of CCIL

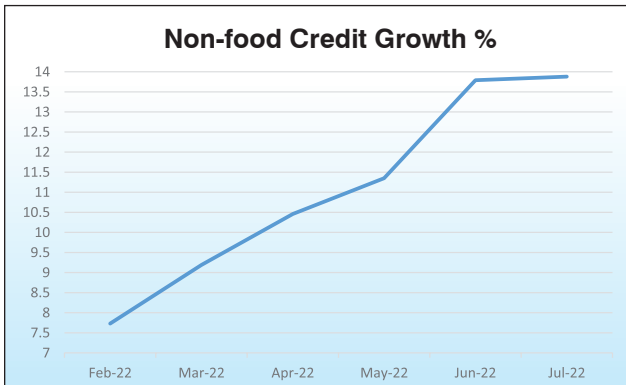
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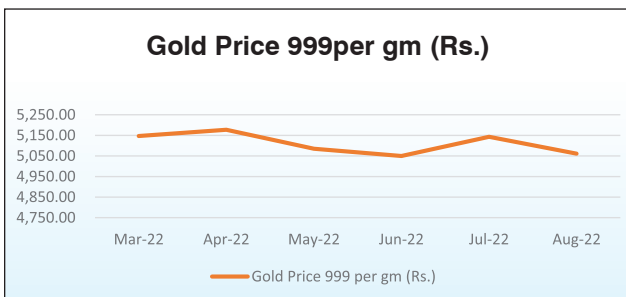
Source: Monthly Review of Economy, CCIL, August, 2022



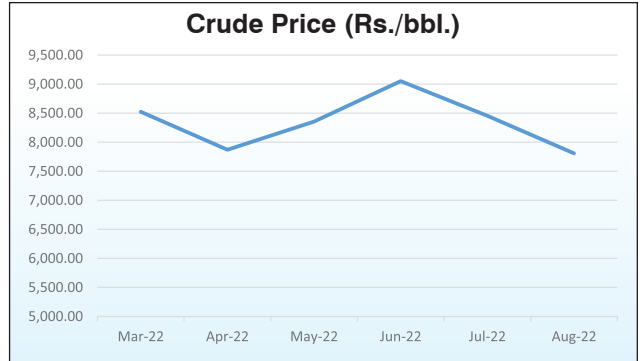
Source: Reserve Bank of India



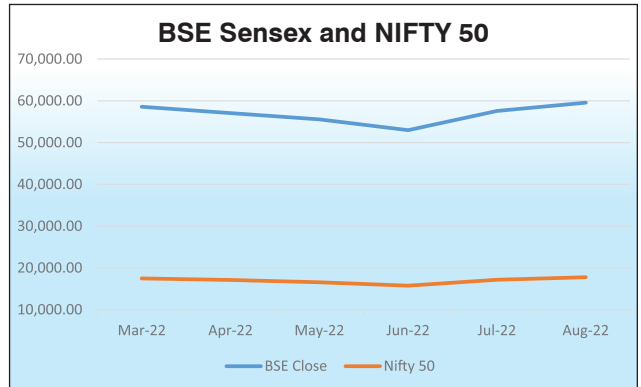
Source: Monthly Review of Economy, CCIL, August, 2022



Source: Gold Price India



Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE

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