



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****MoUs signed between RBI, CBUAE for convenient cross-border transfers, investments**

Aiming to facilitate seamless cross-border financial transactions with an eye on a larger goal of fostering economic co-operation between both countries, Reserve Bank of India (RBI) and Central Bank of UAE (CBUAE) have signed two MoUs.

The first MoU intends to promote local currencies for cross-border transactions, apart from investments and remittances between both countries. It will establish a Local Currency Settlement System (LCSS) to achieve bilateral use of the Indian rupee (INR) and the UAE Dirham (AED) for all current account transactions and permitted capital account transactions.

The other MoU on 'Payments and Messaging Systems', will interlink India's UPI payment system with UAE's Instant Payment Platform (IPP). This linkage will promote fast, convenient, safe, and cost-effective cross-border funds transfers. The MoU will also serve to link their respective card switches viz. RuPay switch and UAESWITCH for mutual acceptance of domestic cards and processing of card transactions. Further, it will also try to see if the linking of their respective payments messaging systems viz. Structured Financial Messaging System (SFMS) of India and the messaging system of UAE is possible. .

SEBI to roll out CDMDF to boost corporate debt market

Market regulator, SEBI is gearing up to roll out the Corporate Debt Market Development Fund (CDMDF), to instil confidence amongst investors and develop the corporate debt market.

Under the CDMDF, mutual funds will have to contribute 25 basis points (bps) of the specified debt asset under management to the fund. The initial contribution will be based on Asset Under Management (AUM) of the specified MF schemes (including debt-oriented funds, excluding overnight and gilt funds) as of last December-end.

CDMDF will purchase securities from the secondary market. It will only purchase securities of investment grade credit rating and with residual maturity of five years or less than five years on the date of purchase. It will not buy any securities that are unlisted, or below investment grade, or defaulted (or those with possibility of default), or those with adverse credit news or views.

Every six months, the specified debt schemes will have to make incremental contribution as their AUM increases, to ensure that 25 bps of scheme asset is invested in CDMDF. However, CDMDF will offer no return or redemption in case of decrease in AUM. If the AMCs delay in contribution, they will have to pay an interest of 15% p.a. for the delayed period as a penalty of sorts.

SEBI brings new dispute resolution mechanism for investors, intermediaries

Securities and Exchange Board of India (SEBI) has enacted a new framework for dispute resolution and grievance redressal between investors and intermediaries such as mutual funds, portfolio managers, investment advisors and brokerages.

With the latest amendments, investors can now avail review by a designated body if they are dissatisfied with the resolution provided. If the investor is still dissatisfied after the first review, the second review will be done by SEBI.

In its efforts to revamp the SEBI Complaint Redress System (SCORES), the markets regulator had also approved reducing timelines, introducing auto-routing of complaints, and auto-escalating complaints in case the prescribed timelines have not been adhered to.

MoF launched Corporate Debt Market Development Fund (CDMDF) and AMC Repo Clearing Limited (ARCL)

Ministry of Finance inaugurated the Corporate Debt Market Development Fund (CDMDF) and initiated the muhurat trading on Limited Purpose Clearing Corporation mechanism called AMC Repo Clearing Limited (ARCL). Both the initiatives intend to deepen the functioning of the corporate debt markets.

CDMDF will be in the form of an alternative investment fund (AIF), meant to instill confidence among the participants in the Corporate Bond Market during times of stress, as well as to enhance secondary market liquidity. It will enjoy a guarantee from the National Credit Guarantee Trustee.

The FM also launched the triparty repo in corporate debt securities offered through ARCL, a limited-purpose clearing corporation aimed at widening and deepening the corporate bond market in the country.

AMC Repo has set up a Core Settlement Guarantee Fund, primarily with contributions from issuers of corporate bonds, to provide settlement guarantee in the repo market, which will help eliminate the need for bilateral counterparty exposure limits.

Regulator Speaks

RBI Governor to banks: Strengthen corporate governance, remain vigilant

RBI Governor, Shaktikanta Das recently met with MDs and CEOs of public- and private-sector banks to discuss how banks can strengthen corporate governance on the backdrop of adverse global developments. While lauding the Indian banking system for its good performance in the face of adversities, the Governor also stressed the need for still remaining careful and vigilant. He emphasised on why MD & CEOs to focus on the tripod of banking stability viz. Compliance, Risk Management and Audit functions.

Furthermore, the meet saw discussions on several other issues such as strengthening of credit underwriting standards, monitoring of large exposures, implementation of External Benchmark Linked Rate (EBLR) Guidelines, bolstering IT security and IT governance, timely and accurate sharing of information with Credit Information Companies (CICs) and improving recovery from written-off accounts.

RBI Dy. Governor Patra commends statistics for lending efficacy and credibility to monetary policy

RBI Deputy Governor Michael Debabrata Patra spoke at the Statistics Day Conference held at RBI, Mumbai. In his address, Patra appreciated the role played by statistics in enhancing the accountability and credibility of the monetary policy.

He explained that the monetary policy process begins by assimilating and parsing every information available on the health and functioning of the economy and the external environment in which it operates. Statistics enable monetary policy to manage its trade-offs and navigate through unknown (and even known) terrains by reducing uncertainty to a quantifiable value. This, in turn, complements and validates traditional forecasts and enhances the efficacy of the monetary policy.

RBI Dy. Governor Rao asks central banks to incorporate climate risks in financial planning

RBI Deputy Governor, M Rajeshwar Rao recently participated in a panel discussion on 'Climate Implications for Central Banking'. Speaking on the occasion, Rao elucidated on the need for central banks to incorporate climate-related risks into their supervisory frameworks. Simply providing finance to green ventures won't be enough; there have to be credible transition plans for existing emitting firms without compromising their output or growth.

Central banks around the world are taking due efforts to understand the systemic impact of climate change on their economies, and their financial systems are evolving in tune with the new revelations.

Rao emphatically stressed on the need to undertake a large-scale capacity building effort to equip central banks, financial firms and real economy players to understand and assess climate issues and plan for tackling related financial risks. Handholding of smaller firms and MSMEs will be an integral part of the capacity-building efforts. Only when all this is undertaken, will the key players be able to innovate, make strategic decisions, mobilise capital and build effective transition plans for achieving sustainability targets.

RBI working on Fintech norms: Dy. Governor T Rabi Sankar

RBI Deputy Governor, T Rabi Sankar has confirmed that the apex bank is working on regulations for financial technology companies (Fintechs) in consultation with the industry. While various Fintechs are focusing on innovation, a greater emphasis is needed on regulation. A balance needs to be struck between fostering innovation and ensuring adherence to norms. “The regulation of Fintech space that we are talking about is more developmental in nature because the other governance conduct is well established wherein entities will be regulated in a similar manner for similar activities” he said.

Products & Alliances

Organisation	Organisation tied up with	Purpose
Indian Bank	National E-Governance Services Ltd (NeSL)	To introduce E-Bank Guarantee to ease traditional paper-based processes

Economic Wrap Up

Key highlights of the Monthly Economic Review, June 2023 released by the Department of Economic Affairs:

- The Core inflation was at 12-quarter low in June 2023 quarter.
- The WPI entered the negative territory in the June 2023 quarter to reach (-) 2.8 per cent.
- The Index of Industrial Production (IIP) has expanded by 4.6 per cent during Apr-May 2023, with a notable increase in the production of capital goods and infrastructure/construction goods.
- All services sector indicators show rising trajectories in the June 2023 quarter.
- PMI Services remained in the expansionary zone in the June quarter of 2023, driven by an upturn in new businesses, expansion in job creation and rising demand.
- Merchandise exports contracted 15.1 per cent in the June 2023 quarter.
- Merchandise imports also contracted by 12.7 per cent in the same quarter resulting in the merchandise trade deficit narrowing from USD (-) 62.6 billion in the June 2022 quarter to USD (-)57.6 billion in the June 2023 quarter.
- India’s external debt to GDP ratio also declined to 18.9 per cent in March 2023 from 20 per cent in March 2022.
- FPI became net buyers with an inflow of USD 11.9 billion in the June 2023 quarter.
- Bank credit growth to Micro, Small and Medium Enterprises (MSMEs) has decelerated on a year-on-year basis in the first three months of the current fiscal, according to Reserve Bank data.
- WTO ranks India 18th in Merchandise exports with exports of \$453billion and 1.8% of global merchandise trade share.

New Appointments

NAME	DESIGNATION
Mr. Debadatta Chand	MD and CEO, Bank of Baroda

Forex

Foreign Exchange Reserves		
Item	As on July 28, 2023	
	₹ Cr.	US\$ Mn.
	1	2
1 Total Reserves	4967138	603870
1.1 Foreign Currency Assets	4403421	535337
1.2 Gold	369359	44904
1.3 SDRs	151715	18444
1.4 Reserve Position in the IMF	42642	5185

Source: Reserve Bank of India

BASE RATES OF ALTERNATIVE REFERENCE RATES (ARRs) FOR FCNR (B) DEPOSITS AS ON JULY 31, 2023 APPLICABLE FOR THE MONTH OF AUGUST, 2023

Currency	Rates
USD	5.31
GBP	4.9310
EUR	3.403
JPY	-0.071
CAD	5.0000
AUD	4.10
CHF	1.70246
NZD	5.5
SEK	3.645
SGD	3.3329
HKD	5.08964
MYR	3.01
DKK	3.0260

Source: www.fbil.org.in

Glossary

Fintech

The Financial Stability Board (FSB) of the Bank of International Settlements (BIS) defines Fintech as the “technologically enabled financial innovation that could result in new business models, applications, processes, or products with an associated material effect on financial markets and institutions and the provision of financial services.”

Financial Basics

Assets Under Management

Assets under management (AUM) is the total market value of the investments managed by a person or entity on behalf of investors. AUM fluctuates to reflect the flow of money in and out of a fund and the price performance of the assets. A fund's management fees and expenses are often calculated as a percentage of AUM.

Institute's Training Activities

Training Programmes for the month of August 2023

Programmes	Dates	Location
Programme on Advanced Corporate Lending	10 th - 11 th August 2023	Virtual
Programme on International Trade Finance	17 th - 19 th August, 2023	
Programme on Certified Credit Professional	17 th - 19 th August 2023	
Programme on Effective Communication as a tool for Excellence in Customer Service	18 th - 19 th August 2023	
Programme on Discipline Management, Investigation & Disciplinary Action / Proceedings for Banks	22 th - 24 th August 2023	
Programme on Treasury Operations with Bourse Game (for Cooperative Banks & Small Finance Banks)	24 th - 26 th August 2023	Leadership Centre, Indian Institute of Banking & Finance, Mumbai
Programme on Certified Treasury Professional	28 th - 30 th August 2023	Virtual

News from the Institute

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

The Institute entered into an agreement with International Financial Corporation (IFC) for providing a certification course on Climate Risk and Sustainable Finance. The course was launched on 23rd May 2023 at St. Regis Hall, Mumbai. The course is 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 first examination, under the revised syllabi, is 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.

Mock Test available for Revised JAIIB & CAIIB Examination

The institute is providing Mock Test facility for all the subjects under revised structure of JAIIB & CAIIB at a nominal rate of Rs. 100(plus taxes) per subject. Interested candidate may visit on website <https://www.iibf.org.in/> for further details.

Bank Quest Theme for upcoming issue

The theme for the upcoming issue of Bank Quest for the quarter July – September, 2023 is “Digital Disruption – Challenges and Opportunities”.

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.

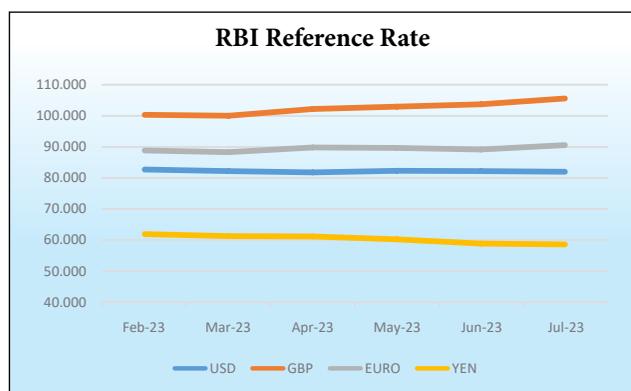
In order to address these issues effectively, it has been decided that:

1. In respect of the exams to be conducted by the Institute for the period from March 2023 to August 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.
2. In respect of the exams to be conducted by the Institute for the period from September 2023 to February 2024, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June 2023 will only be considered for the purpose of inclusion in the question papers.

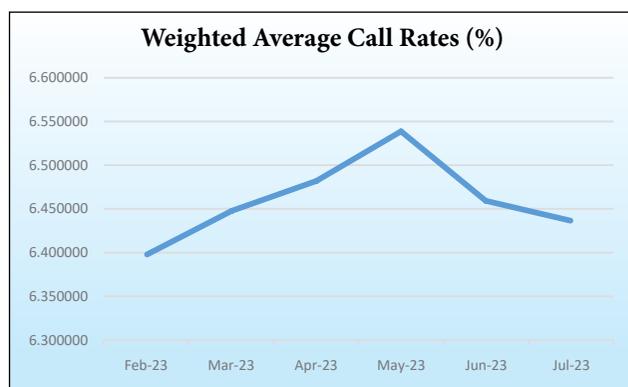
Green Initiative

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

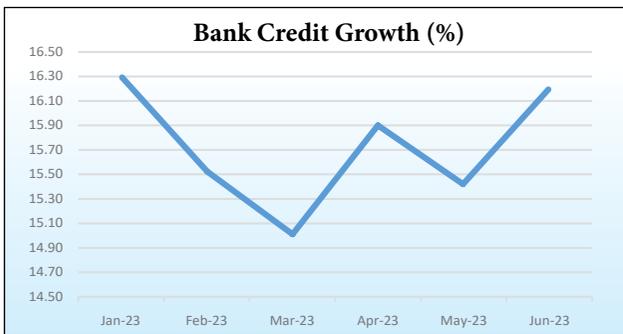


Source: Weekly Newsletter of CCIL

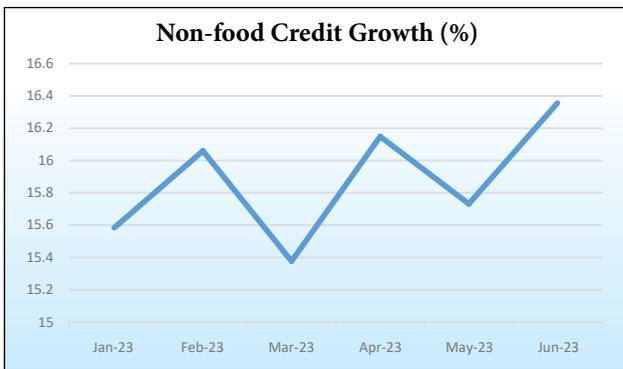
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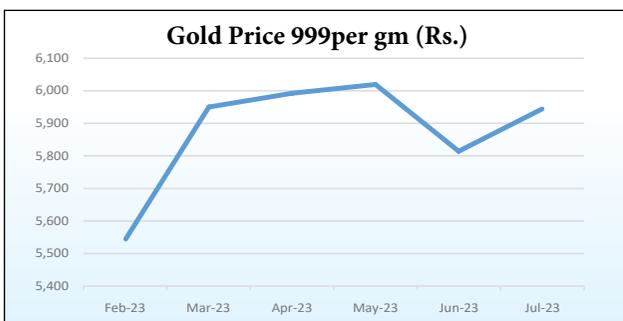
Source: Monthly Review of Economy, CCIL, July 2023



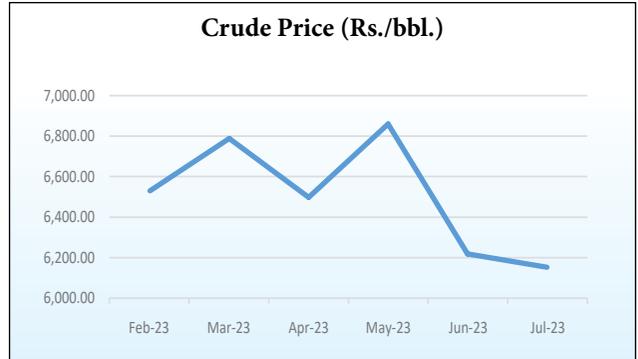
Source: Reserve Bank of India



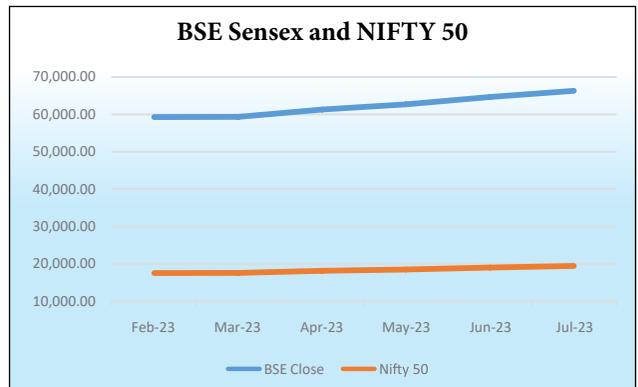
Source: Monthly Review of Economy, CCIL, July 2023



Source: Gold Price India



Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE

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