



Committed to professional excellence

IIBF VISION

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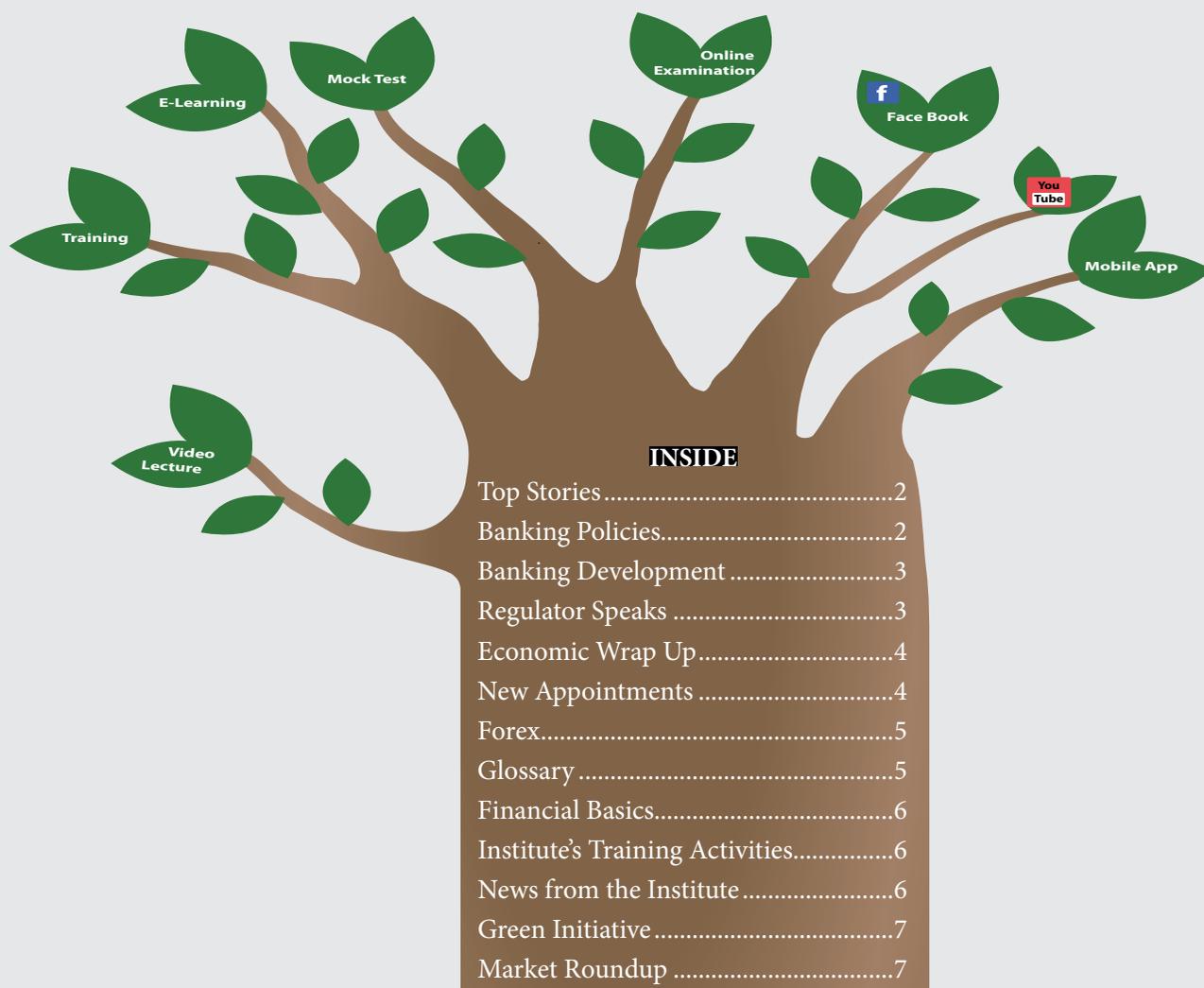
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VISION

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**RBI report focusses on greener, cleaner India; estimates green financing requirement at 2.5% of GDP**

Key highlights of the Reserve Bank of India (RBI) Report on Currency and Finance (RCF) for 2022-23, themed “Towards a Greener Cleaner India”, are as follows:-

- Aiming to assess the future challenges to sustainable high growth in India, the report focusses on four major dimensions of climate change viz., the unprecedented scale and pace of climate change; macroeconomic effects of this change; its implications on financial stability; and policy options to consider for mitigating climate risks.
- According to the Climate Change Performance Index 2023, currently, India ranks the best amongst all G-20 countries after embarking on a targeted and time-bound climate action plan to reduce carbon emissions.
- India aims to achieve a net zero target by 2070, for which it would require an accelerated annual reduction of approximately 5% in the energy intensity of GDP. Alongside, it will also need a rejig of our energy portfolio by 2070-71, with renewables comprising of around 80% of the mix.
- It is estimated that till 2030, India’s annual green financing requirement will be at least 2.5% of GDP.
- In order to help India achieve its green transition targets by 2030 to attain the net zero goal by 2070, a balanced policy intervention with progress across all policy levers is most desirable.

Banking Policies**Complete information about originator, beneficiary mandatory for wire transfers: RBI**

Updating its instructions in the Master Direction on Know Your Customer (KYC) related to wire transfers, the RBI has instructed banks and Financial Institutions (FIs) to ensure that all domestic and cross-border wire transfers contain complete information about the originator and beneficiary. These updates are in alignment with the recommendations of the Financial Action Task Force (FATF).

Accordingly, if an originator of domestic wire transfers, worth Rs. 50,000 & more, is not an account holder of the ordering Regulated Entity (RE), the transfer shall be accompanied by originator and beneficiary information as indicated for cross-border wire transfers. Ordering RE means a financial institution initiating the wire transfer and transferring the funds on behalf of the originator.

RBI has further stipulated that if the appropriate law enforcement agencies, prosecutorial authorities, or, FIU-IND request for information regarding wire transfers, the REs should make such information available, subject to proper legal provisions.

However, these instructions do not cover transfers made by using a credit card, debit card, or Prepaid Payment Instrument (PPI) for the purchase of goods or services.

Spending forex via credit cards comes under RBI’s LRS

According to latest changes to the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2023, spending in foreign exchange through international credit cards has been brought under the ambit of RBI’s Liberalised Remittance Scheme (LRS). Under the LRS, a maximum of USD 2.50 lakh p.a. can be remitted abroad by a resident without the RBI’s authorisation. However, any remittance beyond that amount, made using foreign currency, requires the RBI’s approval.

Till now, usage of International Credit Cards (ICCs) for making payments while travelling in a foreign country was not included under the LRS.

Banking Development

IMEs can now benefit from government schemes: RBI

The RBI has formally clarified the definition of Informal Micro Enterprises (IMEs) to avail government benefits and get listed under the PSL classification.

IMEs are enterprises which cannot get registered on the Udyam Registration Portal (URP) due to lack of mandatory documents such as Permanent Account Number (PAN) or Goods and Services Tax Identification Number (GSTIN). This renders them unable to avail the benefits of Government schemes or programmes. However, henceforth, IMEs with an Udyam Assist Certificate shall be treated as Micro Enterprises under MSME for the purposes of PSL classification.

The turnover of enterprises exempted from filing returns under the provisions of the Central Goods and Services Tax Act, 2017 shall be the sole criterion to be defined as IMEs for the purpose of UAP (Udyam Assist Platform). Accordingly, IMEs are those enterprises that are not covered in the Goods and Services Tax regime.

Regulator Speaks

Governance gaps in certain banks; plug them to avoid volatility: RBI Governor

Delivering the inaugural address at the Conference of Directors of Banks organised by the apex bank for Public Sector Banks (PSBs), RBI Governor Shaktikanta Das pointed out that certain banks in India still have gaps in their corporate governance. Referring to the instability in some banks in the US, Mr. Das asked for these gaps to be addressed by the banks' boards and management, so as to avoid volatility creeping in our banking sector.

In order to prevent such gaps from happening, RBI has issued guidelines around seven critical themes that should be discussed in Board meetings viz. business strategy, financial reports and their integrity, risk, compliance, customer protection, financial inclusion and human resources. Guidelines have also been stipulated about appointment of a chairperson, conduct of meetings of the board, composition of important committees of the board, age, tenure and remuneration of directors and appointment of whole-time directors.

In spite of such wholesome guidelines, RBI has noticed gaps in governance of certain banks, that can turn worrisome in terms of volatility, if not plugged in due time.

Good risk management, governance and compliance are keys for banks' financial stability: RBI Deputy Governor

Addressing a Conference of Directors of state-run and private banks, RBI Deputy Governor MK Jain stated that bank boards must pursue robust risk management strategies apart from emphasising on compliance and effective governance while preparing for potential risks. These three factors are sacrosanct for protecting a bank's reputation, financial stability and long-term viability.

A competent and independent board that keeps an eye on the management by asking pertinent questions and formulating appropriate strategies in consonance with the risk appetite, is essential for effective governance.

Lenders should examine their business with a long-term perspective and weigh the impact of decisions on their financial health, reputation and broader societal & environmental factors.

Boards need to remain vigilant and adaptive; keep assessing the bank's performance, risks and opportunities; and take timely and informed decisions.

Focus is on strengthening financial institutions, overcoming challenges in time: RBI Deputy Governor

RBI Deputy Governor Michael Patra has stated that the apex bank is focusing on strengthening the ability of financial institutions to manage third-party risks and outsourcing, that have arisen from Big Tech and Fintech. The aim is to expand the narrative beyond financial stability and financial integrity concerns to capture the cross-sectoral and macro-financial implications and risks.

Dr. Patra was speaking at the RBI-promoted Indira Gandhi Institute of Development Research's first alumni meet. He pointed out that India is poised to be the second-biggest economy in the world by 2048 and can even become the "economic powerhouse of the future", provided a slew of challenges are overcome in time.

Among other things, India – whose median age is 28 years - will have to provide economic opportunities to its young population to take advantage of the demographic dividend. Presently, only half of India's existing working age population is part of the labour force. India has to work towards getting the skilling strategy right, on a priority basis.

Economic Wrap Up

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

- PMI Manufacturing at a four-month high in April 2023.
- PMI-Services expanded at the fastest pace in 13 years.
- Index of Industrial Production (IIP) and Eight Core Industries Index (ECI), showed a robust Y-o-Y growth of 4.8% and 6.5%, respectively, in the last quarter of FY23.
- Capacity utilisation grew from 74% in Q2 FY23 to 74.3% in Q3 FY23.
- Nine out of twelve sectors operating at above 70% capacity in Q4 of FY23, as per FICCI Manufacturing Survey.
- After remaining in 5 double digits for 18 months, WPI inflation has declined to a 33-month low of -0.9% in April 2023.
- CPI inflation also declined gradually from a peak of 7.8% in April 2022 to an 18-month low of 4.7% in April 2023.
- GST collection jumped to a record high of ₹1.87 lakh crore in April 2023.
- India's merchandise exports increased by 22% in 2021 over the pre-pandemic year of 2019, as compared to 17.5% in the world's merchandise exports.
- As per WTO's latest World Trade Report, India's position among the world's leading exporters in merchandise trade improved from the 21st in 2020 to the 18th in 2021.

New Appointments

NAME	DESIGNATION
Dr. N. Kamakodi	MD & CEO, City Union Bank
Mr. Kaizad Bharucha	Deputy MD, HDFC Bank
Mr. Rajneesh Karnatak	MD & CEO, Bank of India

Forex

Foreign Exchange Reserves		
Item	As on May 26, 2023	
	₹ Cr.	US\$ Mn.
	1	2
1 Total Reserves	4864556	589138
1.1 Foreign Currency Assets	4301298	520931
1.2 Gold	370756	44902
1.3 SDRs	150207	18192
1.4 Reserve Position in the IMF	42295	5113

Source: Reserve Bank of India

BASE RATES OF ALTERNATIVE REFERENCE RATES (ARRs) FOR FCNR (B) DEPOSITS AS ON MAY 2023 - APPLICABLE FOR THE MONTH OF JUNE 2023

Currency	Rates
USD	5.06
GBP	4.4281
EUR	3.147
JPY	-0.062
CAD	4.500
AUD	3.85
CHF	1.444863
NZD	5.50
SEK	3.390
SGD	3.7343
HKD	4.23572
MYR	2.97
DKK	2.7760

Source: www.fbil.org.in

Glossary

Wire Transfer

Wire transfer refers to any transaction carried out on behalf of an originator through a financial institution by electronic means with a view to making an amount of funds available to a beneficiary at a beneficiary financial institution, irrespective of whether the originator and the beneficiary are the same person.

Financial Basics

Debt-Service Coverage Ratio

The Debt-Service Coverage Ratio (DSCR) measures a firm's available cash flow to pay current debt obligations. The DSCR shows investors and lenders whether a company has enough income to pay its debts. The ratio is calculated by dividing net operating income by debt service, including principal and interest.

Institute's Training Activities

Training Programmes for the month of June 2023

Programmes	Dates	Location
Programme on Agriculture financing and Farm Credit Management	13 th to 14 th June, 2023	Virtual
Programme on Training for Certified Treasury Professional	13 th to 15 th June, 2023	
Programme on Banking Compliance	19 th – 21 st June, 2023	
Programme for Internal Audit officers of banks	22 nd – 23 rd June, 2023	

News from the Institute

IIBF - IFC jointly launch 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.

IIBF announces XII Batch of Advanced Management Programme in Banking & Finance (2023-24)

IIBF is pleased to announce the XII Batch of Advanced Management Programme in Banking & Finance (2023-24). The registration for the programme has started in April 2023. The Batch will begin in June 2023.

The Programme is designed for working executives and covers varied areas of Banking & Finance over a period of 10 months. A hybrid program with weekend sessions in online mode and immersion programs in-between, MDP at IIM Calcutta campus and at IIBF, Mumbai. The faculty for this programme will be experts from Industry

and Academia. For more details, please visit our website - <http://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 April – June, 2023 is “Competence based Human Resource Management in Banks”.

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.

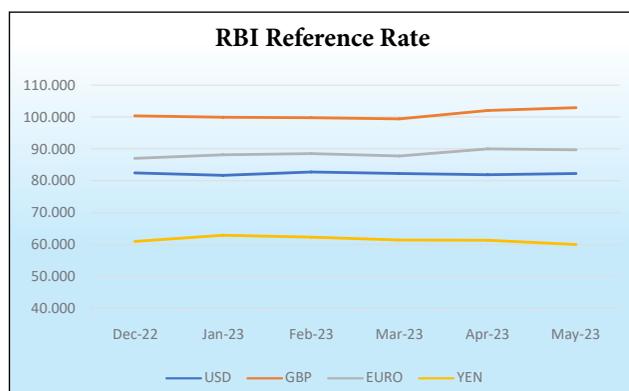
In order to address these issues effectively, it has been decided that:

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.

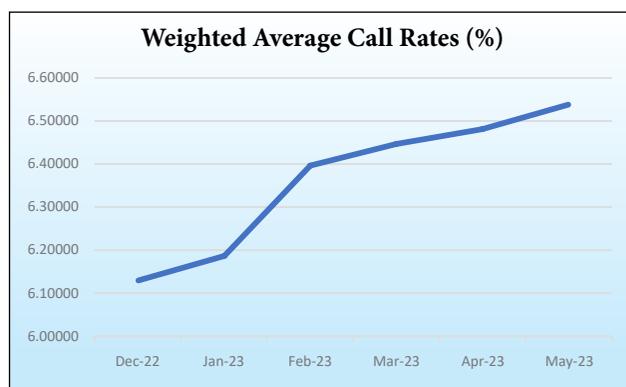
Green Initiative

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

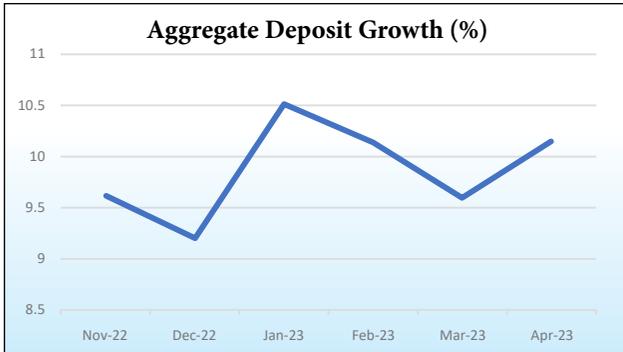


Source: FBIL

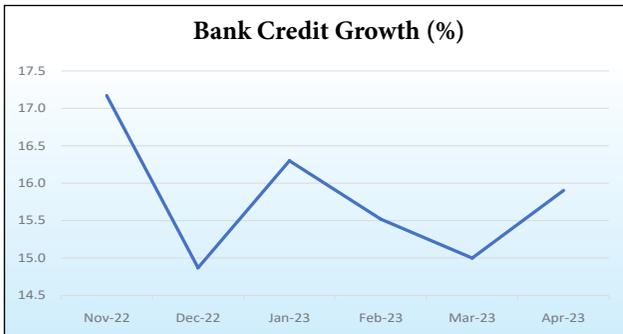


Source: Weekly Newsletter of CCIL

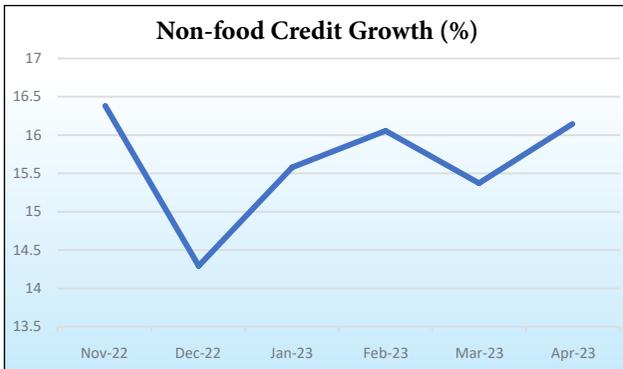
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Source: Monthly Review of Economy, CCIL, May 2023



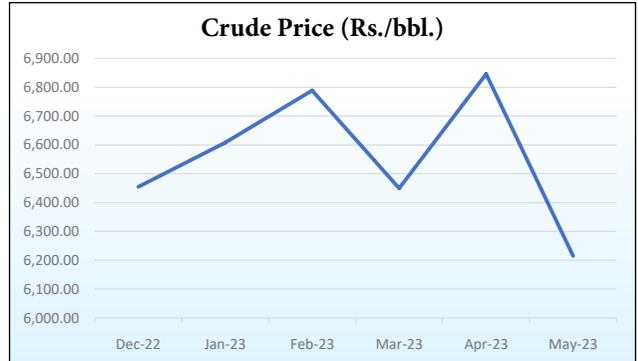
Source: Reserve Bank of India



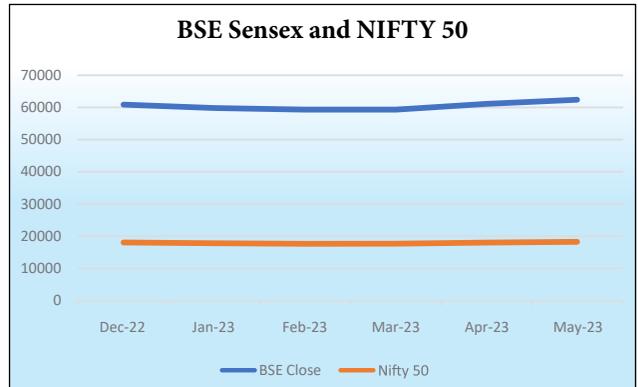
Source: Monthly Review of Economy, CCIL, May 2023



Source: Gold Price India



Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE

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