



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
KYC: RBI permits video-based customer identification process

With a view to leverage digital channels for Customer Identification Process(CIP) by Regulated Entities (REs) the RBI has now permitted Video-based Customer Identification Process (V-CIP) as a consent-based alternate method of establish the identity for customer on-boarding. The customer's live location (geo-tagging) needs to be captured to ensure that the customer is physically present in India. The audio-visual interaction has to be triggered from the domain of the RE itself, and not from any third-party service provider. Only those officials specifically trained for operating the V-CIP process may be allowed to operate the same. The activity log, along with credentials of the official performing the V-CIP, has to be preserved.

RBI permits recurring payments through UPI

The RBI has begun permitting the processing of e-mandate on recurring transactions via the Unified Payment Interface (UPI) system, to help customers signing up for products involving recurring payments viz. systematic investment plans (SIPs) and insurance. The cap on transactions under the arrangement has been pegged at Rs. 2000.

RBI to banks: Offer contactless card payments only if opted for

The RBI has directed banks to offer the contactless card transactions facility only to those users who specifically choose to avail it. The directive is aimed at improving user convenience and increasing the security of card transactions.

RBI gives card issuers 60 days to improve security features

To improve user convenience and increase the security of card transactions, the RBI has given two months' time to card issuers to decide based on their risk perception, whether to disable the card-not-present (domestic and international) transactions, card present (international) transactions and contactless transaction rights. Existing cards, which have never been used for online (card not present) / international / contactless transactions will be mandatorily disabled for this purpose.

Rupee-dollar derivatives to enter GIFT City

Rupee-dollar derivatives are set to enter stock exchanges established by the BSE and NSE in the International Financial Service Centre (IFSC) at GIFT City in Gandhinagar, Gujarat. The RBI has permitted rupee derivatives (with settlement to foreign currency) to be traded in all IFSCs. The consequent amending of regulations under the Foreign Exchange Management Act (FEMA) has been notified. With an aim to bring in the offshore rupee market, RBI has permitted, both, rupee exchange rate futures and options.

IBBI amends voluntary liquidation process rules

IBBI has notified changes to the voluntary liquidation process regulations, whereby, a liquidator has to deposit unclaimed dividends and undistributed proceeds in a liquidation process, along with any income earned therein, into the Corporate Voluntary Liquidation Account before submitting an application for dissolution of the corporate person.

Banking Policies

RBI allows NBFCs to pool jewellery for sale

The RBI has allowed Non-Banking Finance Companies (NBFCs) to pool gold jewellery from different branches in a district and auction it at any location within the district, subject to the condition that the first auction has

failed. According to RBI's circular on 'Lending against Security of single product – Gold Jewellery', the NBFC shall ensure that all other requirements of the extant directions regarding auction (viz. prior notice, reserve price, arms-length relationship, disclosures etc. are met. Non-adherence to the above conditions will attract strict enforcement action.

RBI revises PCA regime for UCBs facing financial stress

The RBI has rationalised its Supervisory Action Framework (SAF) to initiate Prompt Corrective Action (PCA) for urban co-operative banks (UCBs) facing financial stress. UCBs may be placed under PCA if net Non-Performing Assets (NPAs) exceed 6% of net advances, incurs losses and capital adequacy falls below 9%. To halt failing asset quality, RBI may prescribe steps like reduction in exposure limits for fresh loans and advances carrying risk-weights more than 100%. The regulator may place restriction on declaration or payment of dividend/donation without prior approval of RBI.

Banking Developments

Payment firms penalty norms tweaked

In order to ensure safety and security of various stakeholders (including customers), the RBI has tweaked the norms for imposing penalties on payment system operators for not complying with regulatory requirements. The amount of monetary penalty would vary depending on the impact of various factors.

Asset-heavy UCBs must report large exposures to CRILC every quarter

According to operational guidelines issued by the RBI, Urban Co-operative Banks (UCBs), having total assets of Rs. 500 crore and above as on March 31 of the previous financial year, will have to report large exposures to the Central Repository of Information on Large Credits (CRILC) on a quarterly basis to begin with. The data must be submitted within 30 days from the end of the quarter through the XBRL (the open international standard for digital business reporting) platform of the RBI.

Regulator Speaks

Assessing current economic situation is a major challenge: RBI

RBI Governor Mr. Shaktikanta Das avers that the assessment of the current economic situation is one of the major challenges for central banks. The precise estimation of key parameters such as potential output and output gaps on a real-time basis that are crucial for the conduct of monetary policy is a challenging task. However, he states that despite the challenges, a view has to be taken on the true nature of the slack in demand and supply side shocks to inflation for timely use of counter-cyclical policies. He observed the focus of financial stability has extended its reach to financial inclusion as well.

RBI Governor calls for coordinated policy action by major economies

RBI Governor Mr. Shaktikanta Das opines that the synchronised slowdown across countries necessitates coordinated policy action by major economies. "For emerging market economies such as India, quick revival of growth is very important, considering their contribution to global growth. Hence, there is a strong need for coordinated and timely action by all countries" he says adding "In 2008, when the global financial crisis happened, multilateralism was at the forefront of global discourse. Ten years later, when there is a global slowdown, it is no more the dominant theme. Bilateralism has overtaken the multilateral sentiment."

Need to improve supply chain in agriculture: Das

RBI Governor Mr. Shaktikanta Das feels a need to improve the supply chain in the agricultural market, along with prioritising an increase in the average share of farmers in retail prices. The average share of farmers in major primary food items varies between 28% and 78%, but increasing this share further will augur well for the

rural economy which, in turn, could help sustain domestic demand. The Governor also states that wider rural road network, better communication facilities and easier access to micro credit will contribute to better price realisation for farmers. High growth with financial stability can bring inclusiveness in the process of wealth creation and its spread effect. Improved tax collection can be utilised for social and infrastructure expenditure.



Insurance

IRDAI gives nod to 37 products under Regulatory Sandbox:

In a first-of-its-kind-move, the Insurance Regulatory and Development Authority of India (IRDA) has approved 37 products/applications under health, motor and intermediary categories. The insurers will try out the newly approved products for six months from February 1. The IRDAI can also extend the time of validity, if necessary.

Offer standard health policies with maximum sum insured of Rs. 5 lakhs

IRDAI has issued guidelines on standard individual health insurance, asking the general and health insurers to offer products that can take care of basic health needs of customers with maximum sum insured of Rs. 5 lakhs and a minimum of Rs. 1 lakh. The product will be named as Arogya Sanjeevani Policy, succeeded by the name of the insurance company. The mandatory covers under the standard health product include hospitalisation expenses, other expenses such as cataract subject to sub-limits, dental treatment and plastic surgery that have been necessitated due to disease or injury, all-day care treatments and expenses on road ambulance subject to a maximum of Rs. 2000 per hospitalisation.

New Appointments

Name	Designation/Organisation
Mr. Michael Patra	Appointed as Deputy Governor (DG) of Reserve Bank of India
Mr. Chella S Setty	Appointed as MD of State Bank of India
Mr. Lingam Venkata Prabhakar	Appointed as MD & CEO of Canara Bank
Mr. Sanjiv Chadha	Appointed as MD & CEO of Bank of Baroda
Mr. Atanu Kumar Das	Appointed as MD & CEO of Bank of India
Mr. Suresh Kishinchand Khatanhar	Appointed as Deputy MD of IDBI Bank

Forex

Foreign Exchange Reserves		
Item	As on January, 24 2020	
	₹ Bn.	US\$ Mn.
	1	2
Total Reserves	3328631	466693
(a) Foreign Currency Assets	3087772	432919
(b) Gold	204812	28715
(c) SDRs	10290	1443
(d) Reserve Position in the IMF	25757	3615

Source: Reserve Bank of India

Benchmark Rates for FCNR(B) Deposits applicable for February 2020

Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	1.59400	1.45100	1.39500	1.35790	1.36550
GBP	0.67730	0.6918	0.6763	0.6762	0.6828
EUR	-0.35000	-0.357	-0.341	-0.311	-0.273
JPY	0.00880	-0.016	-0.015	-0.043	-0.041
CAD	2.03000	1.752	1.716	1.696	1.683
AUD	0.71300	0.653	0.652	0.775	0.819
CHF	-0.64250	-0.675	-0.675	-0.653	-0.613
DKK	-0.25580	-0.2367	-0.2141	-0.1755	-0.1380
NZD	1.17300	1.150	1.150	1.165	1.200
SEK	0.19600	0.190	0.196	0.213	0.243
SGD	1.45000	1.365	1.340	1.340	1.345
HKD	2.06000	1.860	1.770	1.710	1.680
MYR	3.07000	3.050	3.070	3.090	3.100

Source: www.fedai.org.in

Glossary

Unified Payment Interface (UPI)

Unified Payments Interface (UPI) is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood. It also caters to the “Peer to Peer” collect request which can be scheduled and paid as per requirement and convenience.

Financial Basics

Normal Distribution

Normal distribution, also known as the Gaussian distribution, is a probability distribution that is symmetric about the mean, showing that data near the mean are more frequent in occurrence than data far from the mean. In graph form, normal distribution will appear as a bell curve.

Institute's Training Activities

Training Programmes for the month of February / March 2020		
Programme	Dates	Location
Programme on “Marketing and Customer Service”	13 th to 15 th February, 2020	Mumbai
One-day workshop on “Insolvency and Bankruptcy Code 2016”	17 th February 2020	Mumbai
Post Examination Training For Certified Credit Professional Course	17 th to 19 th February, 2020	Chennai
Post Examination Class Room Learning For Certified Credit Professional Course	17 th to 19 th February, 2020	Delhi

Training Programmes for the month of February / March 2020		
Programme	Dates	Location
Post Examination Physical Mode Training For Certified Credit Professional Course	22 nd to 24 th February, 2020	Mumbai
Post Examination Class Room Learning For Certificate Course On Risk In Financial Services	24 th to 26 th February, 2020	Delhi
Post Examination Physical Mode Training For Certified Treasury Professional Course	27 th to 29 th February, 2020	Mumbai
Post Examination Training For Certified Treasury Professional Course	27 th to 29 th February, 2020	Chennai
PROGRAMME on AML & KYC	27 th to 29 th February, 2020	Delhi
9th International Training Programme for Trainers of Banks, Banking Institutes and Financial Institutions	2 nd to 7 th March 2020	Mumbai
Post Examination Virtual Mode Training For Certified Treasury Professionals	3 rd to 5 th March 2020	Virtual

News from the Institute

Inauguration of new premises at Kolkata, Meet of HR & Training Heads and PTM Lecture of Banks on 1st February 2020

The Institute has acquired its own premises in Kolkata at 59 A, Avani Heights, Jawaharlal Nehru Road (near Rabindra Sadan Metro Station), 2nd floor, Kolkata-700 020. The new premise was inaugurated by Mr. Rajnish Kumar, Chairman SBI and President, IIBF which has the state of the art training facilities including a studio for conducting Internet based virtual classroom/programmes. The Institute, alongside its premise's inauguration, organised a meeting of the HR and Training Heads of banks at Kolkata on 1st February, 2020, Saturday from 2.30 p.m. to 4.00 p.m. at Hotel Hindusthan International, A-235/1, AJC Bose Rd, Kolkata- 700020. Further, the prestigious 36th Sir Purshotamdas Thakurdas Memorial Lecture was also held on 1st February 2020 from 4.30 p.m. to 6.00 p.m. at the same venue. The Lecture was delivered by Hon'ble Justice Shri S J Mukhopadhaya, Chairperson, NCLAT on the topic "IBC and its impact on the economy".

Call for Diamond Jubilee Research Proposals

The Institute invites Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) research proposals for the year 2019-20. For details visit www.iibf.org.in

Bank Quest included in UGC CARE List of Journals

IIBF's Quarterly Journal, Bank Quest has been included in the Group B of UGC CARE list of Journals. The University Grants Commission (UGC) had established a "Cell for Journals Analysis" at the Centre for Publication Ethics (CPE), Savitribai Phule Pune University (SPPU) to create and maintain the UGC-CARE (UGC – Consortium for Academic and Research Ethics). As per UGC's notice, research publications only from journals indexed in UGC CARE list should be used for all academic purposes.

Self-paced E-learning (SPeL) Courses

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

Mandatory certification of Business Correspondents

RBI has identified IIBF as the sole certifying agency for certifying the BCs of both SCBs and Payment Banks. The Syllabus for the exam has been revised in consultation with RBI. The Institute has also tied up with CSR – e – Governance for certifying the BCs. The Institute will also be signing an MoU with BFSI-SSC for certifying the BCs.

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 with an online examination followed by training for those who successfully clear 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 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 specialized courses, viz. Certified Treasury Professional, Certified Credit Professional and Risk in Financial Services, in addition to its flagship courses viz. JAIIB & CAIIB. The mock test can be taken by any bank staff.

Bank Quest Theme for upcoming issue

The theme for the January-March 2020 issue of “Bank Quest” is Alternative Channels of Investments - Sub-themes: Mutual Funds, Post-Office & Bank Deposits & others.

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:

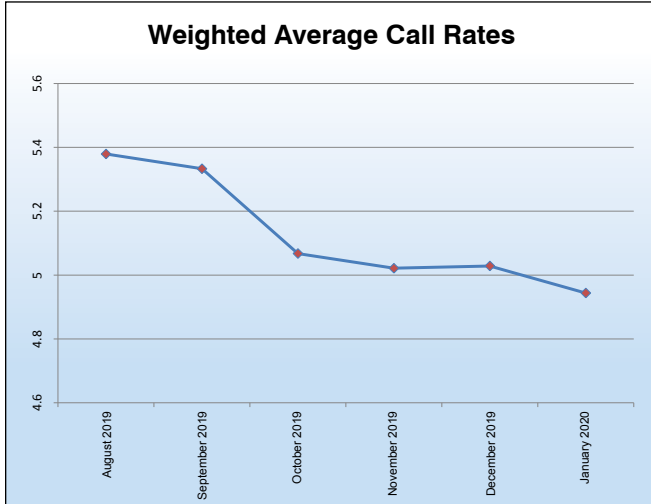
- (i) In respect of the exams to be conducted by the Institute for the period from August 2019 to January 2020, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June, 2019 will only be considered for the purpose of inclusion in the question 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

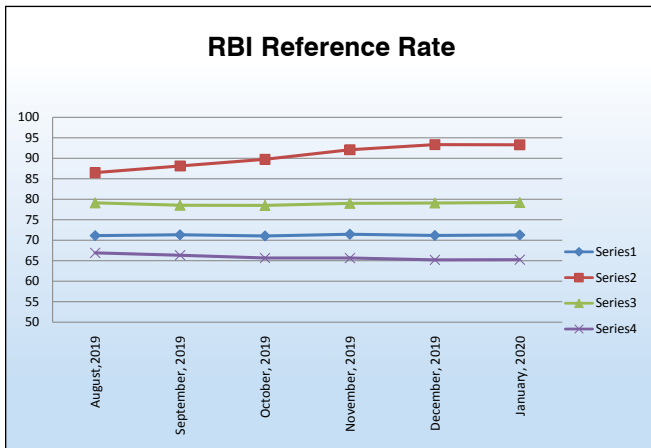
Members are requested to update their e-mail address with the Institute and send their consent to receive the Annual Report via e-mail.

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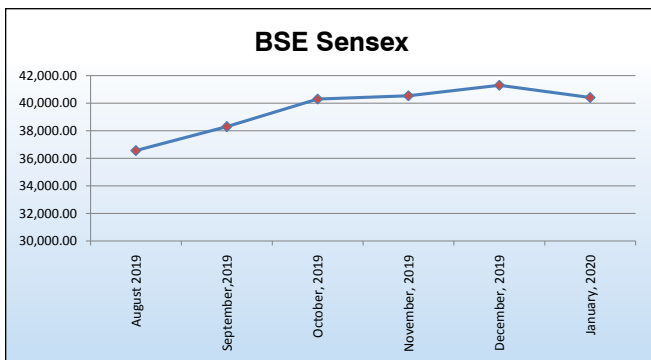
Market Round Up



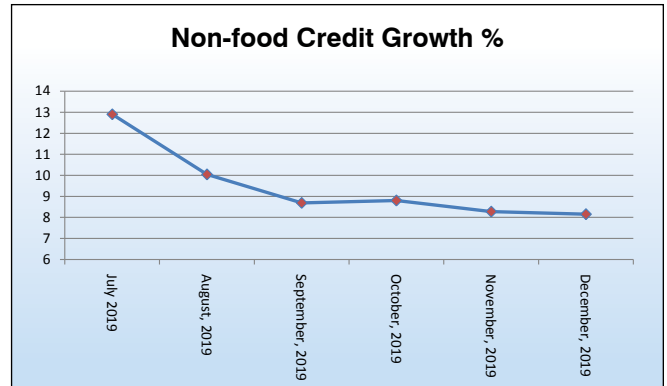
Source: CCIL News Letters – January 2020



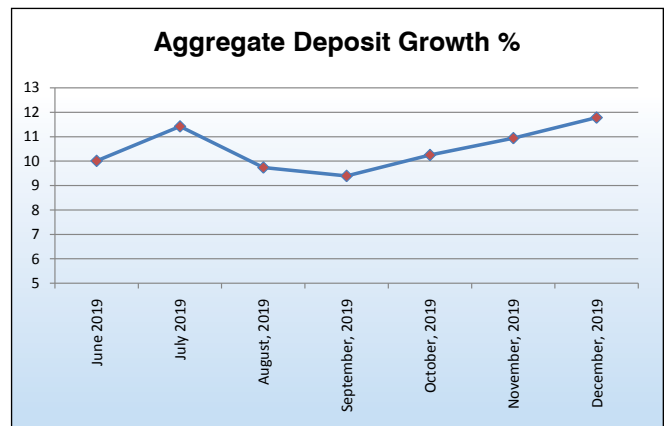
Source: FBIL



Source: Bombay Stock Exchange



Source: Monthly Review of Economy, CCIL, January 2020



Source: Monthly Review of Economy, CCIL, January 2020

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