



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

Monetary Policy Highlights February 6-8, 2024

The Monetary Policy Committee (MPC) was held on February 6-8, 2024. Its key highlights are as follows:

- Repo rate kept unchanged at 6.5%.
- SDF, MSF and Bank rates remained unchanged at 6.25%, 6.75% and 6.75% respectively.
- To review the regulatory framework for electronic trading platforms.
- To allow resident entities to hedge the price of gold in the OTC segment in IFSC.
- Key Fact Statement to be provided for retail & MSME loans and advances.
- To streamline onboarding process of AePS service providers & introduce some additional fraud risk management measures.
- Locations having poor or less internet connectivity and across hilly areas to benefit from offline functionality in CBDC-Retail, to be introduced through the pilot banks in a phased manner.

Draft Disclosure framework on Climate-related Financial Risks, 2024

Given the increasing threat of climate change and the associated physical damage, it is imperative for the Regulated Entities (REs) to implement a robust climate-related financial risk management policies. RBI invited comments from stakeholders on the draft disclosure framework on climate-related financial risks for lenders by April 30, 2024. The guidelines shall be applicable to the following REs - All Scheduled Commercial Banks (excluding Local Area Banks, Payments Banks and Regional Rural Banks), All Tier-IV Primary (Urban) Co-operative Banks (UCBs), All All-India Financial Institutions, All Top and Upper Layer Non-Banking Financial Companies (NBFCs). Foreign banks shall make disclosures specific to their operations in India. Adoption of these guidelines is voluntary in case of REs other than those mentioned above.

RBI directs card issuers to provide options for customers to choose card networks

RBI has issued directions to card issuers not to enter into any arrangement or agreement with card networks that restrain them from availing the services of other card networks. As per this direction, the card issuers will have to provide an option to their eligible customers to choose from multiple card networks at the time of issue. For existing cardholders, this option needs to be provided at the time of the next renewal.

Ceiling on remuneration of NEDs of banks raised by RBI to Rs. 30 lakh

Ceiling on remuneration of Non-Executive Directors (NEDs) in private banks has been raised by RBI from the earlier Rs. 20 lakh p.a. to Rs. 30 lakh p.a. This change has been made after considering the crucial role played by NEDs in the efficient functioning of bank Boards and Committees, as also, to attract qualified competent individuals to the role in future. This is applicable to all the Private Sector Banks including Small Finance Banks (SFBs), Payment Banks (PBs), as also, wholly owned subsidiaries of Foreign Banks. The Board is at liberty to fix a lower amount within the ceiling limit of Rs. 30 lakh p.a. depending upon the size of the bank, experience of the NED and other relevant factors. Banks will need to disclose the remuneration paid to its directors in their Annual Financial Statements.

Money Transfer Service Scheme (MTSS) - Submission of Statement on CIMS

All Authorised persons who are Indian Agents under the MTSS were required to submit a quarterly statement (within 15 days from the close of the quarter to which it relates) on the quantum of remittances received through MTSS using the eXtensible Business Reporting Language (XBRL) platform. Now, with the launch of RBI's next generation data warehouse viz. Centralised Information Management System (CIMS), it has been decided that the reporting of the aforesaid statement will be done on CIMS portal w.e.f. the quarter-ending March 2024.

Banking Policies

RBI revises BBPS framework, includes non-bank payment aggregators

In response to the rapid changes occurring on the payment landscape, Reserve Bank of India (RBI) has revised

the framework for Bharat Bill Payment System (BBPS) Directions, which will be applicable from April 1, 2024. According to these guidelines, non-bank Payment Aggregators (PAs) authorised to operate as PAs (including those with in-principle authorisation), can participate in BBPS as operating units. All scheduled commercial banks, regional rural banks, urban cooperative banks, state cooperative and district central cooperative banks, apart from other non-bank entities authorised as Bharat Bill Payment Operating Units (BBPOUs) can participate in BBPS as Operating Units.

RBI tweaks Regulatory Sandbox scheme norms to ensure digital personal data protection

RBI has tweaked certain guidelines for the Regulatory Sandbox (RS) scheme to ensure that participating entities comply with digital personal data protection norms. As per the revised guidelines, the timelines of various stages of the RS process have been revised from seven months to nine months. The sandbox entities will have to comply with provisions of the Digital Personal Data Protection Act, 2023. The target applicants for entry to the RS are fintech companies, including startups, banks, financial institutions, Limited Liability Partnership (LLP), partnership firms and any other company partnering with or providing support to financial services businesses.

Banks, non-banks can issue PPIs for public transport: RBI

To provide convenience, speed, affordability and safe digital modes of payment to commuters for transit services, RBI has amended the Master Direction on Prepaid Payment Instruments (PPI), to allow banks and non-bank PPI issuers to offer these instruments for public transport. After obtaining the necessary approvals from RBI, banks and non-banks can issue PPIs for various public transport systems viz. metro, buses, rail and waterways, tolls and parking. These instruments will carry the automated fare collection application with functionality of transit services, toll collection as well as parking. KYC verification of holders will not be needed.

Banking Developments

RBI consolidates data submission norms for banks, NBFCs

The RBI has issued a Master Direction for filing of supervisory returns for banks, NBFCs and select All-India Financial Institutions. This Master Direction provides a broader framework to understand the purpose of the returns and harmonises the timelines for their submission. It has removed some instructions that have turned obsolete and has consolidated the existing twenty instructions on submission of data, to provide clarity and reduce compliance burden. The revised framework also includes one Master Direction for Non-Banking Financial Companies.

Indian bank branches in GIFT-IFSC can trade on IIBX, says RBI

Branches of Indian banks in GIFT-IFSC have been allowed by the RBI to act as a Trading Member (TM) or Trading and Clearing Member (TCM) of International Bullion Exchange IFSC Ltd (IIBX). Indian banks authorised to import gold or silver will act as Special Category Client (SCC) of the IIBX. TM/TCM of IIBX shall execute trades only on behalf of clients (without proprietary trading). All client trades placed on the exchange shall be against 110% advance pay-in of funds (buy order) of the expected value of bullion (quantity & quality specification) intended to be purchased and securities (sell order) in account of the bank, as is applicable.

Regulator Speaks

Co-operation, collaboration between central banks imperative for boosting global economy: RBI Governor Shaktikanta Das

Delivering the keynote address at the 59th South East Asian Central Banks (SEACEN) Governors' Conference, RBI Governor Shaktikanta Das emphasised the importance of multilateralism, global co-operation and co-ordination for dealing with the multiple challenges facing the global economy. He stated that while the global economy has prospects for a soft landing, one cannot ignore the uncertainties looming in the form of geopolitical tensions and supply chain disruptions.

Mr. Das further said that all central banks need to be proactive towards achieving price and financial stability. There is a need to develop co-operation in areas of common interest and urgent needs, such as climate change. A smooth and orderly green transition is necessary to avoid disruptions to economic activity and loss of growth potential, while remaining mindful of the potential financial stability implications.

In his address, he highlighted India's experience in harnessing Digital Public Infrastructure (DPI) for advancing financial inclusion and productivity gains through cost reductions, while also emphasising on the various

safeguards implemented to prevent the misuse of technology.

SEACEN countries instrumental in boosting net global demand: RBI Deputy Governor Patra

Speaking at the 59th South East Asian Central Banks (SEACEN) Governors' Conference, RBI Deputy Governor Michael Debabrata Patra averred that Asia will stay on course with disinflation and alignment with central bank targets are fast coming within reach. Stating that the SEACEN membership represents 45% of the world's population, Dr. Patra revealed that its economies' contribution to global Gross Domestic Product (GDP) has increased from 9% at the beginning of the century to a whopping 27% in 2023. SEACEN members collectively account for over 1/3rd of the global GDP in terms of purchasing power parity. This highlights the significance of domestic resources in fuelling growth, thus, underscoring the region's reliance on internal resources for investment and development.

The SEACEN group also absorbs 28% of world imports of merchandise, thus, playing a major role in boosting net global demand.

NBFC sector should broad-base their funding sources: RBI Deputy Governor, Rao

RBI Deputy Governor, M. Rajeshwar Rao, at the NBFC summit organised by Confederation of Indian Industry (CII) at Mumbai, highlighted the business risks being posed to the economy due to the dependence of NBFCs on bank borrowings, shady business practices by Peer to Peer (P2P) lenders and unsustainably high interest rates charged by microfinance lenders. He stated that the apex bank's regulatory approach towards NBFC sector has been guided by activity-based and entity-based regulations to safeguard financial stability and protect customers. Talking about the challenges, Mr. Rao stated that it is not prudent for NBFCs to concentrate all their funding sources, as their funds may suddenly dry up during stressful events. Rather, they should focus on broad-basing their funding sources and reduce over-dependence on bank credit.

Lastly, Mr. Rao drew attention to the sector's exposure towards technology related risks and operational disruptions, as well as, their increasing reliance on third party partnerships.

Digitalisation, effective communication have changed India's financial landscape: RBI Deputy Governor, Rao

RBI Deputy Governor, M. Rajeshwar Rao stated that India's financial landscape has transformed fundamentally due to the digitalisation of financial services, new business models, emergence of fintech and a changing banking landscape. Remote engagements have become more common and employees have been dynamically redeployed amongst verticals to cater to evolving business needs.

He further underlined the importance of communication by saying that effective delivery of mandates in today's dynamic world requires the ability to communicate policies, regulations and rationale very clearly and without ambiguity. On this note, Mr. Rao stated that RBI's communication has also evolved over the decades to become more transparent.

Products & Alliances

Organisation	Organisation tied up with	Purpose
Investor Education and Protection Fund Authority (IEPFA)	DBS Bank	To spread awareness on investment and fraudulent schemes among end users.

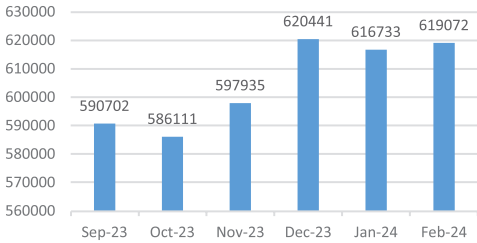
Economic Wrap Up

Key highlights of the Monthly Economy Review, January 2024 released by the Department of Economic Affairs:

- RBI has forecasted India's real GDP to grow at 7% in FY25, with risks evenly balanced.
- Retail inflation declined to a three-month low of 5.1% in January 2024.
- The fiscal deficit for FY25 has been budgeted at 5.1% of the GDP, brought down from 5.8% in FY24 (RE). This reduction is driven by the reprioritisation of expenditure and robust revenue collection.
- During the first ten months of FY24, merchandise exports and imports contracted by 4.9% and 6.7%, respectively.

- Current Account Deficit (CAD) is expected to be at 1.4% of the GDP during the year.
- FPI inflows during FY24 stood at USD 33.3 billion, compared to an outflow of USD (-) 5.5 billion the previous year.
- According to the World Bank, India will remain the largest recipient of remittances globally, with an estimated USD 135 billion in inward remittances in 2024, rising by 8%. India's share in global inward remittances is around 15%.
- Direct tax collections and Non-tax revenue collection grew by 23.2% (YoY) & 45.8% (YoY) respectively during April-December 2023.
- Capital spending increased by 37.5% YoY in the period April-December 2023 compared to 25.1% in the corresponding period of the previous year.
- MSMEs registration on UDYAM Portal has increased from 65 lakhs in January 2021 to 2.3 crore as of 9th February 2024, three times increase over this period.
- The total number of persons employed in MSMEs Registered under the Udyam Registration Portal was 2.8 crore in July 2020 and it stood at 15.3 crore as of 9th February 2024, which is 5.3 times increase.

Forex

Foreign Exchange Reserves			Trends in Forex Reserve(US\$ Mn) last 6 months	
Item	As on February 23, 2024		Total Reserve (in US\$ Mn) 	
	₹ Cr.	US\$ Mn.		
	1	2		
1 Total Reserves	5135344	619072		
1.1 Foreign Currency Assets	4547374	548188		
1.2 Gold	396913	47848		
1.3 SDRs	150946	18197		
1.4 Reserve Position in the IMF	40111	4839		

Source: Reserve Bank of India

BASE RATES OF ALTERNATIVE REFERENCE RATES (ARRs) FOR FCNR (B) DEPOSITS AS ON FEBRUARY 29, 2024 - APPLICABLE FOR THE MONTH OF MARCH 2024

Currency	Rates
USD	5.31
GBP	5.1877
EUR	3.905
JPY	-0.006
CAD	5.0100

Currency	Rates
AUD	4.35
CHF	1.694975
NZD	5.50
SEK	3.895
SGD	3.7501

Currency	Rates
HKD	3.73024
MYR	3.00
DKK	3.5160

Source: www.fbil.org.in

Glossary

Regulatory Sandbox

A Regulatory Sandbox (RS) usually refers to live testing of new products or services in a controlled/test regulatory environment for which regulators may (or may not) permit certain regulatory relaxations for the limited purpose of the testing. The RS allows the regulator, the innovators, the financial service providers (as potential deployers of the technology) and the customers (as final users) to conduct field tests to collect evidence on the benefits and risks of new financial innovations, while carefully monitoring and containing their risks. It can provide a structured avenue for the regulator to engage with the ecosystem and to develop innovation-enabling or innovation-responsive regulations that facilitate delivery of relevant, low-cost financial products.

Financial Basics

Balloon Payment

A balloon payment is a lump sum principal balance that is due at the end of a loan term. The borrower pays much smaller monthly payments initially (as only interest is paid) with large balloon payment at the end of the repayment period.

Institute's Training Activities

Training Programmes for the month of March 2024

Programmes	Dates	Location
Post examination training for Certified Accounting and Audit Professional	11 th -13 th March 2024	Virtual
Programme for Internal Audit officers of banks	12 th -13 th March 2024	
Post examination training for Certified Credit Professional	15 th -17 th March 2024	
Post examination training for Certificate in Risk in Financial services	20 th - 22 nd March 2024	

News from the Institute

IIBF entered into MoU with FPSB for Certified Financial Planner certification program

The Institute has entered into a strategic Memorandum of Understanding (MoU) with FPSB India, the Indian subsidiary of Financial Planning Standards Board Ltd., the global standards-setting body for the financial planning profession and owner of the International Certified Financial Planner (CFP) certification program. Under this significant partnership, candidates who have successfully attained the CAIIB qualification from IIBF and have a valid three-year experience in the BFSI sector will be exempted from passing the first three modules of CFP certification and directly become eligible to enrol in FPSB India's Integrated Financial Planning module through the Fast Track Pathway. For more details, visit www.iibf.org.in

IIBF-IFC joint 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 is divided into two parts- Basic and Advanced. It is in the form of self-paced e-learning, comprising around 6 hours of learning in each part followed by an assessment. On successful completion, a joint certificate will be issued by IIBF and IFC. For more details, visit www.iibf.org.in

13th R. K. Talwar Memorial Lecture

The 13th R. K. Talwar Memorial Lecture, organised in association with the State Bank of India, was held on 16th February 2024 at SBI Auditorium, Nariman Point, Mumbai. The lecture was delivered by **Dr. V. Anantha Nageswaran**, Chief Economic Adviser, Government of India on "The Role of Regulation in Economic Development". The lecture was attended by bankers and well appreciated by attendees.

PDC-West Zone inauguration and Women's Conclave

The Professional Development Centre (PDC) - West Zone office of the Institute, at Maker Tower, Cuffe Parade, Mumbai was inaugurated by Mr. Sunil Mehta, Chief Executive, IBA on 2nd March 2024. This was followed by a Women's Conclave to celebrate the upcoming International Women's Day. The topic of the panel discussion was "Parity at Workplace", based on this year's theme "Inspire Inclusion". The speakers were Ms. Poppy Sharma, GM, Central Bank of India; Ms. Jayasree Menon, SVP, Indian Banks' Association; Dr. Karuna Akshay Malviya, Director, D Y Patil School of Law; Dr. Vinita Salvi, Consultant Obstetrics & Gynaecology. The event was attended by women employees from banks and financial institutions.

IIBF releases the third edition of Banking & Finance Yearbook, 2024

IIBF releases the third edition of the “Banking & Finance Yearbook, 2024”. It is a comprehensive digest of all major developments, trends, expert views and regulatory changes across different verticals in Banking & Finance domain for the year ended December 31, 2023. The book is available on Amazon both as a paperback and as a Kindle edition. It is available in the retail outlets of our publisher, M/S Taxmann Publications (Pvt.) Ltd.

IIBF invites papers under Micro Research & Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) for the year 2023-24

‘Micro Research’ is a sort of an essay competition for members of the Institute (bankers) to present their original ideas, thoughts and best practices on areas of their interest and DJCHBBORF provides successful candidate an opportunity to undertake a research study on the latest developments in the field of banking and finance in India or abroad. Both research schemes are open for life members of IIBF, who are presently working in banks and financial institutions. The last date for receipt of applications is extended till 10th April, 2024. For more details, please visit www.iibf.org.in

Bank Quest Theme for upcoming issue

The theme for the upcoming issue of Bank Quest for the quarter January – March, 2024 is “Leveraging technology for effective credit appraisal”.

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.

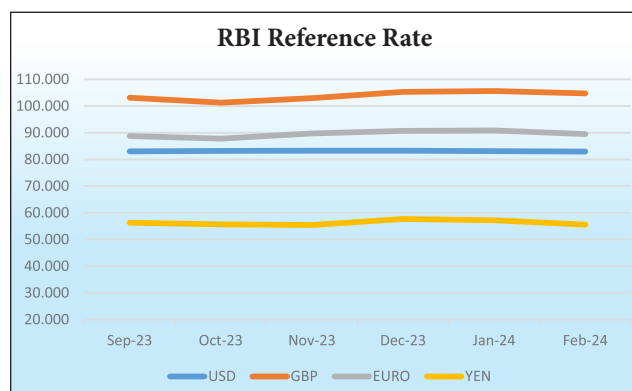
In order to address these issues effectively, it has been decided that:

- In respect of the exams to be conducted by the Institute for the period from March 2024 to August 2024, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December 2023 will only be considered for the purpose of inclusion in the question papers.
- In respect of the exams to be conducted by the Institute for the period from September 2024 to February 2025, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June 2024 will only be considered for the purpose of inclusion in the question papers.

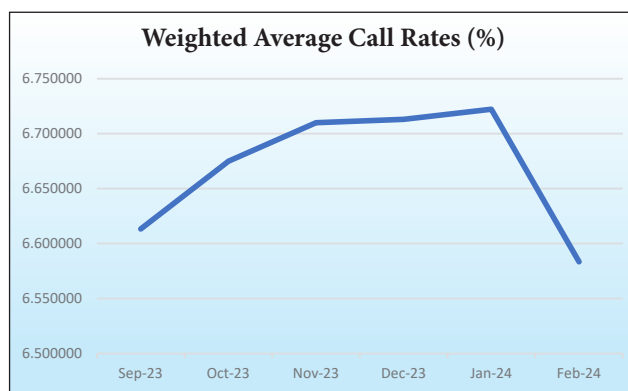
Green Initiative

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

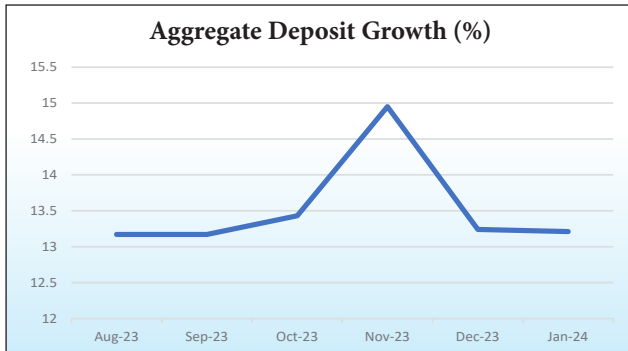


Source: FBIL

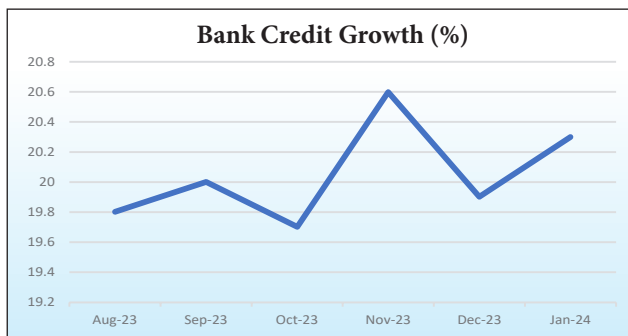


Source: Weekly Newsletter of CCIL

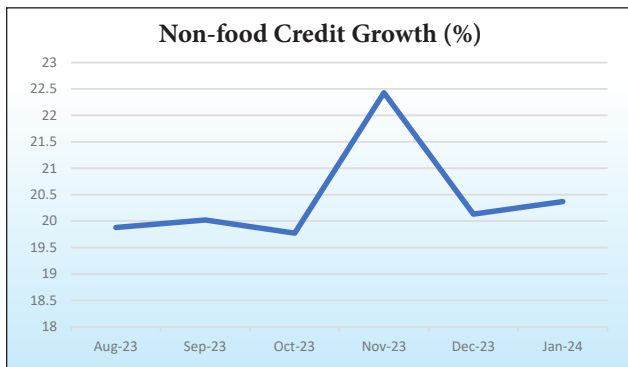
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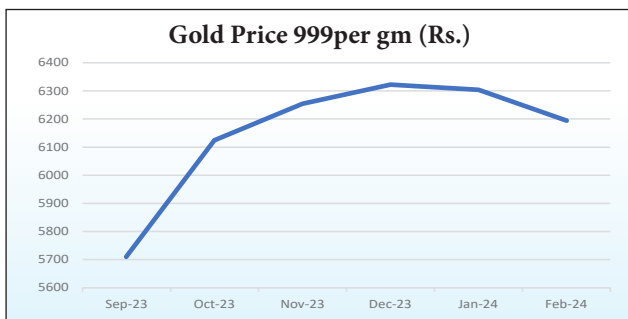
Source: Monthly Review of Economy, CCIL, February 2024



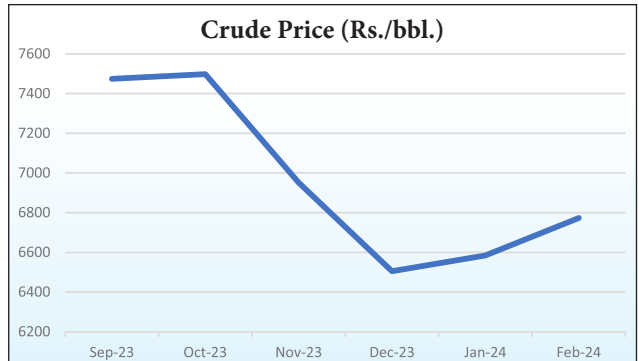
Source: Reserve Bank of India



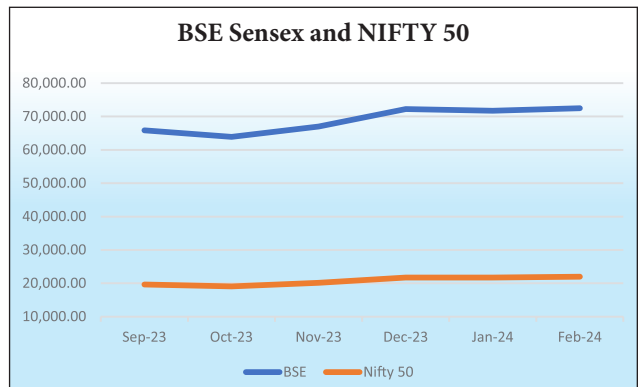
Source: Monthly Review of Economy, CCIL, February 2024



Source: Gold Price India



Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE

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