



Committed to professional excellence

IIBF VISION

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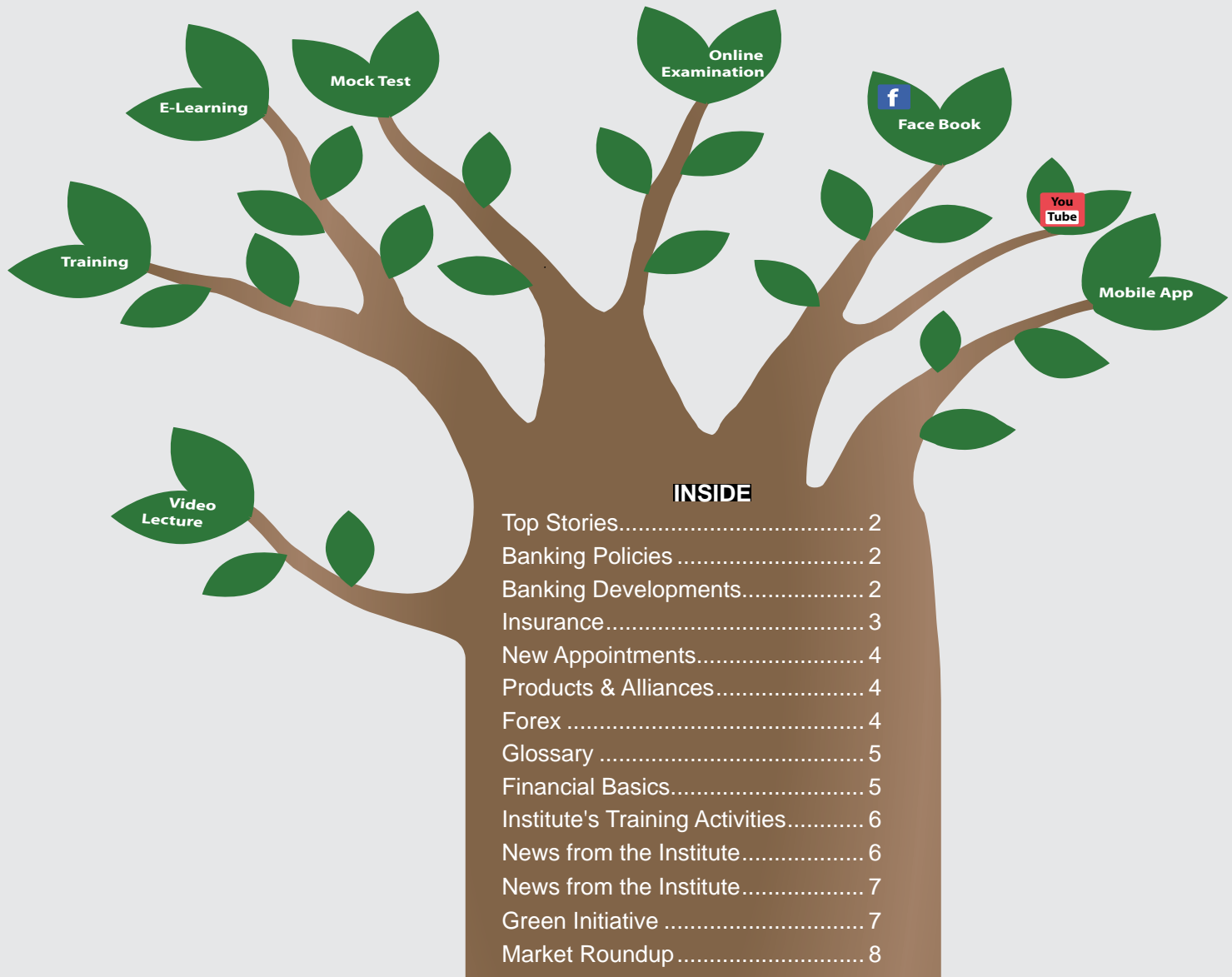
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VISION

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's supervisory colleges for 6 banks

The Reserve Bank of India (RBI) has set up, as part of supervision of cross border operations of Indian banks abroad, Supervisory Colleges for six major banks (State Bank of India, Bank of Baroda, Bank of India, ICICI Bank Ltd., Axis Bank Ltd. and Punjab National Bank) which have significant international presence. The main objectives of Supervisory Colleges are to enhance information exchange and cooperation among supervisors, to improve understanding of the risk profile of the banking group and thereby facilitate more effective supervision of the internationally active banks. The physical meeting of the colleges is held every alternate year.

Banking Policies

RBI asks FLCs to hold special camps on going digital

In view of the Government's emphasis on increasing digital transactions post-demonetisation, RBI has advised Financial Literacy Centres (FLCs) to conduct special camps for one year beginning April 1, 2017 on "going digital" through Unified Payments Interface and the *99# service. Besides these camps, FLCs will continue to conduct tailored camps for five target groups – farmers, small entrepreneurs, school children, senior citizens and Self Help Groups (SHGs). Rural bank branches will henceforth be required to conduct only one camp a month (on the third Friday of each month after branch hours). The camps by rural bank branches will also cover the two digital platform – UPI and the Unstructured Supplementary Service Data-based "*99#" service. FLCs and rural branches of banks are eligible for funding support for FLCs to the extent of 60% of the expenditure of the camp, subject to a maximum of ₹15,000 per camp.

RBI curbs NBFCs' cash loans against gold

RBI has sharply brought down the threshold above which NBFCs can disburse loans against gold only by cheque. In line with the regulations of Income Tax Act, such loans amounting to ₹20,000 and above can be disbursed only by cheque as against the earlier threshold of ₹1 lakh and above.

Banking Developments

Sovereign Gold Bond – Dematerialisation

RBI has put out a list of investors in Sovereign Gold Bond Scheme (on <https://sovereigngoldbonds.rbi.org.in>.) whose investments could not be dematerialized for various reasons such as mismatches in names and PAN numbers, inactive or closed demat accounts, besides other reasons. Investors can access this data to ascertain whether their investor IDs figure in the list. All Receiving Offices will also need to access this information for their customers and make appropriate corrections in consultation with their clients. The modification window in the e-Kuber application of the Reserve Bank of India is open for this purpose. RBI also said that notwithstanding the pending status, the Sovereign Gold Bonds will continue to be held in RBI books and would be serviced regularly.

SEBI's guidelines for MF celebrity endorsements

SEBI has issued guidelines for Mutual Funds (MFs) advertised by celebrities. Such endorsements shall now be allowed only at industry level for the purpose of increasing awareness of MFs as a financial product category.

They will not be allowed to promote a scheme of a particular fund or be used as a branding exercise of a MF house/AMC.

RBI gets nod to print plastic ₹10 notes

The Government has authorized to conduct field-trials of plastic notes of ₹10 that have a longer life span. The trials shall be conducted at five locations in the country.

New encryption key in Aadhaar authentication devices from June

From June 1, 2017 all devices using Aadhaar authentication will have to adhere to Unique Identification Authority of India (UIDAI)'s new encryption standards. The UIDAI has recently come out with new specifications and asked manufacturers and vendors to go for Standardisation Testing and Quality Certification (STQC) as per the new standards. Mr. Ajay Bhushan Pandey, CEO of UIDAI has stated that from June 1, new devices will be based on new specifications and the existing devices will have to be upgraded to the new norms before that deadline.

MDR caps extended beyond March 31, 2017

Following the withdrawal of legal tender characteristics of existing ₹500/- and ₹1000/- Bank Notes (Specified Bank Notes – SBN) and in order to facilitate wider acceptance of card payments, banks were advised by RBI to cap the Merchant Discount Rate (MDR) for debit card transactions. Till the issuance of final instructions on MDR for debit card transactions, the extant instructions issued vide RBI circular dated December 16, 2016 shall continue.

RBI-authorized entities can alone issue PSI wallets

Users of Pre-paid Payment Instruments (PPIs), including mobile and electronic wallets, have been informed by the RBI that only non-bank entities authorized by it under the Payment and Settlement System Act, 2007 can issue PPI wallets for purchase of goods and services from third parties and money transfer within India.



Insurance

IRDAI allows insurers to invest in REITs, InvITs

The Insurance Regulatory and Development Authority of India (IRDAI) has allowed insurance companies to invest in Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs), thus making an important breakthrough for the sponsors. An insurer can invest not more than 3% of its fund size or in not more than 5% of the units issued by a single REIT/InvIT, whichever is lower (subject to other conditions specified by IRDAI).

Non-life, health insurance: Norms eased for recruiting PoS persons

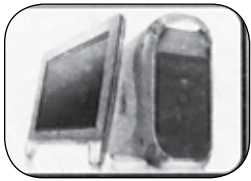
The IRDAI has eased norms for engaging of Point-of-Sales (PoS) persons by non-life and health insurers. From April 1, 2017, insurers/intermediaries will be allowed to appoint PoS persons with the mandatory training and passing of examination, which is already being allowed in the case of life insurance.

Vehicle insurance premiums up

From April 1, 2017 IRDAI has raised the vehicle insurance premiums across various categories of vehicles. The quantum of increase varies depending on the category of vehicles, such as two-wheelers, private cars, goods carrying vehicles (both public and private), motorized three-wheelers, and trailers.

New Appointments

Name	Designation/Organization
Mr. Dilip S. Shanghvi	Member, Western Area Local Board, RBI.
Mr. Mahesh Kumar Jain	Managing Director & CEO, IDBI Bank.
Mr. Premnath S. Salian	Managing Director, Abhyudaya Co-operative Bank Ltd.
Mr. T. S. Anantharaman	Chairman, Catholic Syrian Bank.



Products & Alliances

Organisation	Organisation tied up with	Purpose
HDFC Bank	National Securities Depository (NSDL)	For providing facility of instant digital loan against Securities (LAS).
UCO Bank	Future Generali India Insurance Company (FGII)	To offer FGII's health & PA, motor, travel, home and rural insurance products across branches of UCO bank.
State Bank of India	German Development Bank KfW	For loan facility to finance affordable housing segment in the country.
Bank of Baroda	Jain Irrigation Systems Limited (JISL)	To finance the Micro Irrigation Systems.
ICICI Bank	Truecaller	To launch a UPI based mobile payment service.

Forex

Foreign Exchange Reserves		
Item	As on March 24, 2017	
	₹ Bn.	US\$ Mn.
Total Reserves	24,102.8	3,67,932.1
(a) Foreign Currency Assets	22,526.2	3,44,235.1
(b) Gold	1,329.0	19,914.0
(c) SDRs	95.0	1,451.6
(d) Reserve Position in the IMF	152.6	2,331.4

Source: Reserve Bank of India (RBI)

Benchmark Rates for FCNR(B) Deposits applicable for April, 2017

Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	1.39650	1.62290	1.82660	1.96390	2.06100
GBP	0.42310	0.6247	0.7060	0.7863	0.8643
EUR	-0.20000	-0.134	-0.018	0.077	0.186
JPY	0.06130	0.068	0.071	0.090	0.114
CAD	1.19000	1.120	1.257	1.375	1.477
AUD	1.85000	1.960	2.100	2.430	2.550
CHF	-0.65250	-0.635	-0.545	-0.444	-0.336
DKK	-0.05320	0.0435	0.1495	0.2800	0.4075
NZD	2.10000	2.350	2.575	2.775	2.945
SEK	-0.42200	-0.258	-0.046	0.158	0.348
SGD	1.27500	1.545	1.760	1.943	2.075
HKD	1.26000	1.550	1.760	1.920	2.050
MYR	3.59000	3.690	3.760	3.810	3.900

Source: www.fedai.org.in

Glossary

e-Kuber

e-Kuber is one of the foremost central bank oriented Core Banking Systems in the world. The provision of a single current account for each bank across the country, decentralized access to this account from anywhere-anytime using the portal based services in a safe manner and ease of operations are some of the features of the e-Kuber. The system also has a host of offerings for the Government users as well. Some of the facilities offered include the provision of portal based access which allows Government departments to access on anywhere-anytime basis, view their balances – of all types including the Ways and Means Advances, drawings, funds positions and the like – all in a consolidated manner through the e-Kuber so as to help them in better funds management.

Financial Basics

Off-Balance Sheet Exposure

Off-Balance Sheet exposures refer to the business activities of a bank that generally do not involve booking assets (loans) and taking deposits. Off-balance sheet activities normally generate fees, but produce liabilities or assets that are deferred or contingent and thus, do not appear on the institution's balance sheet until and unless they become actual assets or liabilities.

Institute's Training Activities

Training Programmes for the month of May, 2017

S. No	Program Name	From Date	To Date	Venue
1.	KYC/AML/CFT	8.5.2017	10.5.2017	Professional Development Center, IIBF, Chennai
2.	Retail Loans	15.5.2017	18.5.2017	
3.	Credit Appraisal	15.5.2017	19.5.2017	Professional Development Center, IIBF, Chennai
4.	SME Financing	2.5.2017	6.5.2017	Professional Development Center, IIBF, Chennai
5.	Programme on Foreign exchange and International trade	22.5.2017	26.5.2017	
6.	Credit Management - Customised Programme for the Officers Afghanistan International Bank	20.4.2017	1.5.2017	Leadership Center IIBF, Mumbai
7.	Recovery Management	04-05-17	06-05-17	
8.	Understanding Banking Customer: The Winning Strategy	08-05-17	09-05-17	
9.	Post Examination Class room training - Certified Treasury Dealers	12-05-17	14-05-17	
10.	First Time Branch Managers	15-05-17	20-05-17	
11.	26 th Certificate Course in Project Finance	15-05-17	20-05-17	

News from the Institute

MOU with Bhutan

The Institute will be signing a Memorandum of Understanding (MoU) with Financial Institutions Training Institute Ltd. (FITI) Bhutan for development of courseware for bankers of Bhutan.

Foundation Day Program 2017

The Institute has decided to organise its Foundation Day and AMP Certificate awarding ceremony on 29th April, 2017. Shri N. S. Vishwanathan, Deputy Governor, RBI has kindly consented to be the Chief Guest for the event. The institute will also be releasing its new courseware on NBFC on its Foundation Day.

Bank Quest Themes for coming issues

The themes for upcoming issues of "Bank Quest" are identified as:

- Challenges in Infrastructure Financing: April-June, 2017
- Influences/Challenges for Banks post Demonetization: July – September, 2017
- Micro Research Papers 2017: October – December, 2017
- Cyber Security in Banks: January – March, 2018
- International Banking: April – June, 2018
- Risk Management: July – September, 2018

Acceptance of Subscription in Online Mode for Bank Quest and IIBF Vision

The Institute has decided to collect subscription for Bank Quest and IIBF Vision in online mode through SBI Collect and discontinue accepting subscription through Demand Draft with effect from 1st July 2016. Subscription will be accepted only for one year. Third party payment would not be accepted. Domestic

Subscribers/Organisations are requested to pay subscription directly through online mode. There is no change in mode of application of subscription for foreign subscribers. Foreign subscribers may write to Publication Department at publications@iibf.org.in for application form. Domestic Subscribers/Organisations for payment of subscription in online mode may kindly visit “Online Registration/Services” page on IIBF’s website: www.iibf.org.in

The new rate of service tax

The Ministry of Finance, Department of Revenue has notified levying of 0.5% Krishi Kalyan Cess, on any or all the taxable Services w.e.f. 01st June 2016. The effective rate of Service Tax would be 14% + 0.5% (Swachh Bahart Cess) + 0.5% (Krishi Kalyan Cess) = 15.00%. Accordingly, the Institute has incorporated the change in all fees.

KYC/AML & Customer Service Examination

The Institute is holding the Certificate Examinations in AML/KYC & Customer Service Examinations on a quarterly interval from April 2016 onwards. For details visit www.iibf.org.in

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 February 2017 to July 2017, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December, 2016 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 August 2017 to January 2018, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June, 2017 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.

**STATEMENT ABOUT OWNERSHIP AND OTHER PARTICULARS OF IIBF VISION,
THE JOURNAL OF INDIAN INSTITUTE OF BANKING & FINANCE**

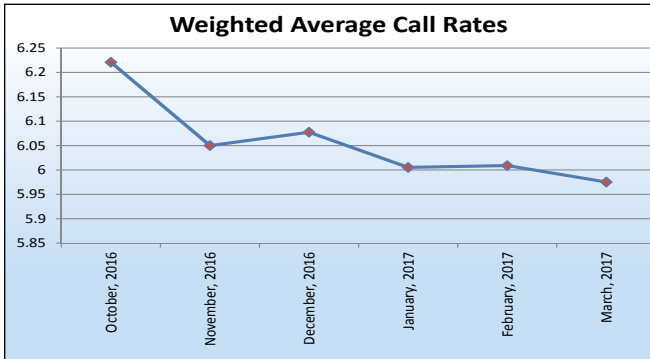
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I, Dr. J. N. Misra, hereby declare that the particulars given above are true to the best of my knowledge and belief.
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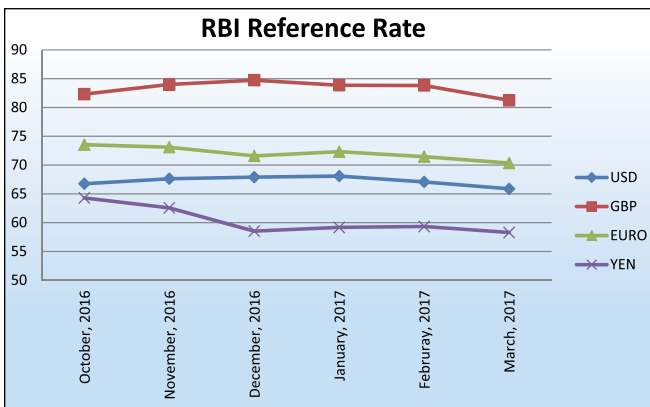
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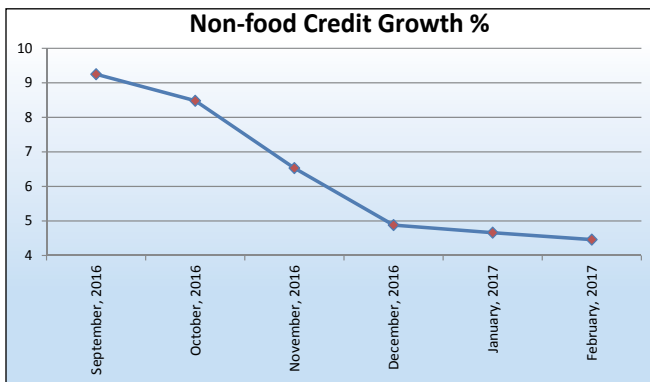
Market Roundup



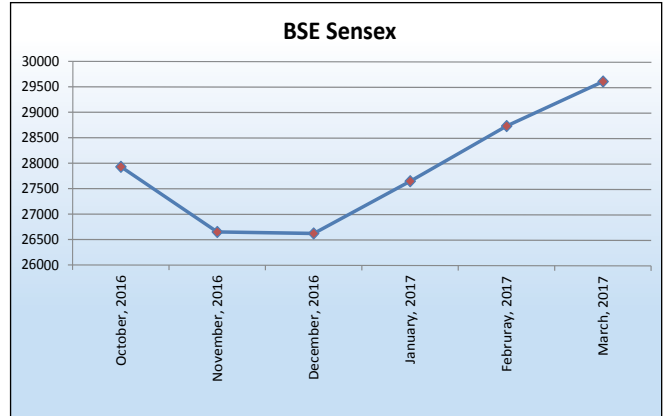
Source: CCIL Newsletters, 2016-17



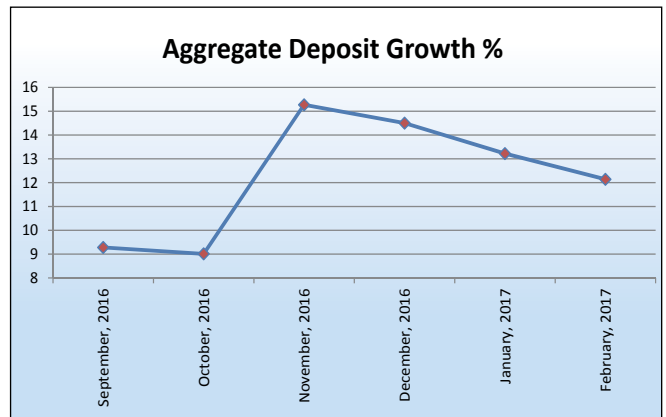
Source: Reserve Bank of India (RBI)



Source: Monthly Review of Economy, CCIL, March 2017



Source: Bombay Stock Exchange (BSE)



Source: Monthly Review of Economy, CCIL, March 2017

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