



Committed to professional excellence

IIBF VISION

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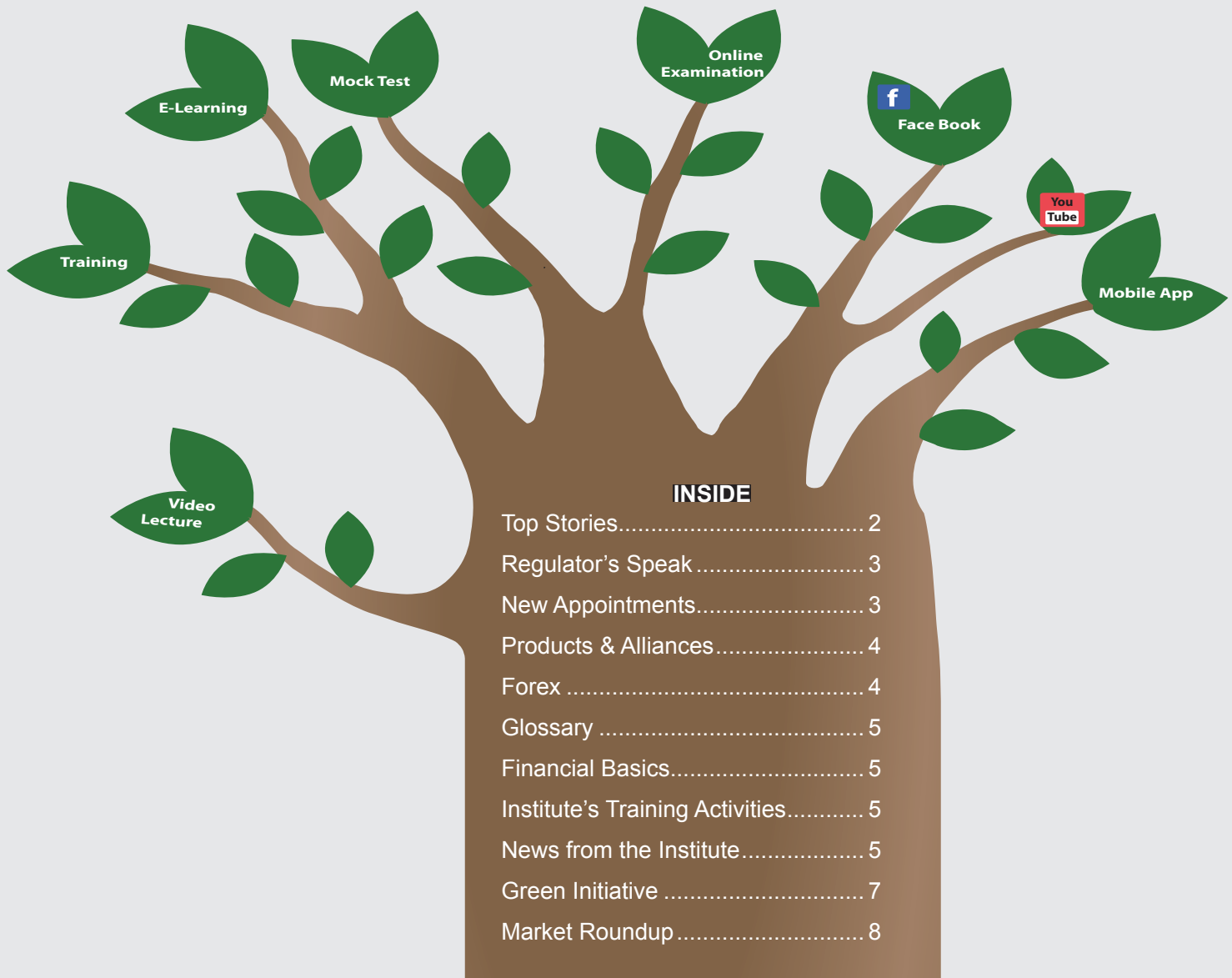
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VISION

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**NPCI launches UPI 2.0**

The National Payments Corporation of India (NPCI) went live with UPI 2.0- an upgraded version of its **Unified Payments Interface (UPI)** service, which will allow users to block funds for a future transaction and pre-authorize the same. The one-time mandate facility will be available to both consumers and merchants. The upgrade will also enable customers to link their overdraft account to UPI, in addition to current and savings accounts. Customers will get all benefits associated with OD accounts, and will be able to transact instantly. The feature is aimed at users who may not have a credit card but would like to access a credit facility while making digital payments.

Further, while making a merchant payment, UPI 2.0 users will be able to access a digital invoice which will help them view and verify the merchant's credentials, and then make seamless payments. However, this functionality will work only for transactions where the merchant is a verified one.

Dr. Urjit Patel, Governor, RBI has stressed the need for ensuring the importance of adequate cyber-security, stating that all efforts need to be channeled to this area, irrespective of what the costs would be.

SEBI discontinues sub-broker category of market intermediaries

SEBI has done away with the category of sub-brokers as market intermediaries, which require registration with the regulator. No person will be granted a fresh sub-broker registration, and the registered ones will have time till the end of the current fiscal for migrating to act as an authorized person or trading member.

Under the current framework, sub-brokers need to seek registration from SEBI under its stock broker and sub-broker norms, while authorized persons need to seek registration from the concerned exchange. However, there is no difference in the operative role of a sub-broker and an authorized person.

SEBI cuts listing time for issue of debt securities

In order to make the process of issuance of debt securities simpler and cost-effective, SEBI has cut the timeline for listing of such securities to six days, from 12 days at present. Besides, SEBI has made ASBA (Application Supported by Blocked Amount) mandatory for all the investors making payment while applying in a public issue of debt securities. ASBA facility will reduce the time taken for the collecting banks to commence clearing of payment instruments, forwarding application forms along with bank schedules to registrar and undertaking of technical rejection test. The new rule would be applicable for all public issues of debt securities from October 1, 2018.

SEBI eases process of issuing securities on e-book platform

To make the issuance of securities on e-book platforms (EBP) easier, SEBI has allowed investors to place multiple bids in a private placement issue on debt basis and permitted depositories to act as facilitators.

In addition to the current system of open bidding, SEBI has allowed closed bidding on EBP; subject to the issuer disclosing the mode of bidding. However, there will be no real-time dissemination of bids on the EBP platform under closed bidding.

Regulator's Speak

Data on un-organised sector inadequate

Dr. Urjit Patel, Governor, RBI has praised the government for far-reaching reforms in monetary policy formation, taxation, and resolution of stressed assets. He said, "One cannot and should not underestimate the sagacity and uncommon courage of the government to undertake truly transformative reforms. These will shape, for the better, our economic evolution in the decades to come".

Underlining the need for a central bank to think fresh in a dynamic world, he said, "Now, the need is to understand micro-level price formation dynamics in new dimensions such as e-commerce, digital transactions and big cross sectional data. This applies to domains such as banking, non-banking financial intermediation, payments, currency management and financial inclusion as well. In the absence of research, policy choices could yield sub-optimal outcomes at times. The central bank resorts to surveys and analysis to understand household and firm behavior."

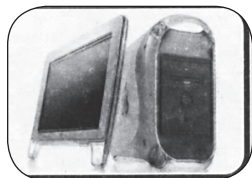
Dr. Viral Acharya in favour of public credit registry

In view of the financial under-penetration in India, with the credit-to-gross domestic product (GDP) ratio at 55.7%, Dr. Viral Acharya, Deputy Governor, RBI, feels the need to have a Public Credit Registry (PCR) to democratize and formalize credit in India. The PCR can be a single data repository with an extensive database of credit information, for all credit products covering all lender-borrower accounts without a size threshold in the country - from the point of origination of credit to its termination encompassing details of their repayments, restructuring, default, resolution and the like. A PCR can make trusted data available to banks and other lenders, to help them take better credit decisions.

It can help them recognize early warning signs of asset quality problems by seeing performance on other credits and then decide if a borrower is worthy of their credit or not. The lending institutions will be mandated by law to share borrower information, and the PCR will be backed by a PCR Act. Currently, such information is not available under a single domain.

New Appointments

Name	Designation/Organization
Mr. S. Gurumurthy	Appointed as part-time non-official Director, RBI
Mr. Satish Marathe	Appointed as part-time non-official Director, RBI



Products & Alliances

Organisation	Organisation tied up with	Purpose
Exim Bank	BRICS Banks	To undertake collaborative research in distributed ledger/block-chain technology

Forex

Foreign Exchange Reserves		
Item	As on August 24, 2018	
	₹ Bn.	US\$ Mn.
	1	2
1 Total Reserves	28,097.6	4,01,293.3
1.1 Foreign Currency Assets	26,396.8	3,76,591.6
1.2 Gold	1,424.6	20,763.2
1.3 SDRs	103.2	1,471.6
1.4 Reserve Position in the IMF	173.0	2,466.9

Source: Reserve Bank of India

Benchmark Rates for FCNR(B) Deposits applicable for September 2018					
Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	2.66400	2.82500	2.86600	2.87400	2.87500
GBP	0.93400	1.1182	1.2256	1.3040	1.3680
EUR	-0.22120	-0.142	0.013	0.145	0.282
JPY	0.05000	0.071	0.096	0.115	0.148
CAD	2.35000	2.429	2.494	2.532	2.555
AUD	1.97500	2.006	2.063	2.298	2.374
CHF	-0.61750	-0.531	-0.389	-0.259	-0.136
DKK	-0.11020	-0.0067	0.1355	0.2825	0.4195
NZD	1.96300	1.988	2.081	2.196	2.322
SEK	-0.29200	-0.100	0.100	0.275	0.458
SGD	1.79000	1.943	2.038	2.108	2.168
HKD	2.39000	2.620	2.710	2.760	2.790
MYR	3.72000	3.720	3.760	3.810	3.850

Source: www.fedai.org.in

Glossary

Unified Payments Interface (UPI)

Unified Payments Interface (UPI) is an instant payment system developed by the National Payments Corporation of India (NPCI), an RBI regulated entity. UPI is built over the IMPS infrastructure and allows one to instantly transfer money between any two parties' bank accounts. A customer needs to register for UPI before remitting funds but registration of beneficiary is not required for transferring funds.

Financial Basics

Ratio of Liquid Assets to Total Assets

Higher level of liquid assets in total assets will ensure better liquidity. Hence, higher ratio, the better it is. Liquid assets may include bank balances, money at call and short notice, inter-bank placements due within one month, securities held for trading and available for sale with a ready market.

Institute's Training Activities

Training Programme for the month of September/October 2018

Programme	Dates	Location
Training Programme For "Law Officers"	3 rd to 4 th October, 2018	Kolkata
Certified Credit Professional	17 th to 19 th September, 2018	Virtual
	4 th to 6 th October, 2018	Virtual
Certificate in Risk in Financial Services	17 th to 19 th September, 2018	Mumbai

News from the Institute

Change in Rule for Collecting Examination Fees

With effect from 1st July 2017, Institute has switched over to Goods & Service Tax (GST) regime from Service Tax. The earlier rule of collecting examination fees for Associate, Diploma and Blended courses stipulates that candidates have to pay examination fee for two attempts together. In order to comply with GST provisions and to simplify administration of payment of tax, the rule of collecting fees has been re-structured. Institute will now collect examination fee for each attempt separately from the candidates. Therefore, candidates have to register for each attempt separately.

International Conference on 'Banking: Stepping into the next decade'

The Institute has completed 90 years of dedicated service to the banking industry in 2018 and to commemorate this occasion, the Institute is organizing an *International Conference on 'Banking: Stepping into the next decade'* on 25th September 2018 at Hotel Trident, Bandra-Kurla Complex, Mumbai.

Capacity Building in banks

RBI vide its notification dated 11th August 2016 has mandated that each bank should have a Board approved policy to deploy staff with adequate qualification/certification in key areas of operations. To begin with, they have identified following areas:

- Treasury Management: Dealers, Mid-office Operations.
- Risk Management: Credit Risk, Market Risk, Operational Risk, Enterprise-Wide Risk, Information Security, Liquidity Risk.
- Accounting – Preparation of financial results, Audit function
- Credit Management: Credit appraisal, Rating, Monitoring, Credit Administration.

Subsequently on the direction of RBI, IBA had constituted an Expert Group for identifying suitable institutions and courses that can provide the necessary certifications. IIBF has introduced a course on Accounting and Audit. The first exam on the subject was held on 15th July 2018. With this the Institute has courses on all the above four areas.

Further, RBI vide its letter dated 31st May 2017, addressed to IBA and copy endorsed to IIBF has stated that 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.

The courses offered by the Institute in the areas of Treasury Operations, Risk Management, Credit Management and Accounting and Audit are blended in nature with an online examination followed by training for such of those candidates who have successfully cleared the online examination. Please visit the website www.iibf.org.in for examination registration and more details.

Mutual Recognition Agreement with the Chartered Banker Institute, Edinburgh, U.K

The Institute is delighted to announce the signing of a Mutual Recognition Agreement with The Chartered Banker Institute, Edinburgh. Under this agreement, “Certified Associates of the Indian Institute of Bankers” (CAIIB) from India will have their qualifications recognised by the Chartered Banker Institute, and will be able to become Chartered Bankers by studying the Institute’s Professionalism, Ethics & Regulation Module, and successfully completing a reflective assignment.

Virtual Classroom Solution

The Institute has acquired a software for conducting training through the Virtual Classroom mode. This will enable the Institute to disseminate the 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 specialised courses, namely, Certified Treasury Professional, Certified Credit Professional and Risk in Financial Services, in addition to its flagship courses viz

JAIIB & CAIIB. The mock test can now be taken by any bank staff.

Examination at Institute's own Test centres at Mumbai & Kolkata

The Institute, earlier conducted examinations on the 2nd and 4th Saturday of every month for four of its courses namely, Micro, Small & Medium Enterprises (MSMEs), Customer Service, AML/KYC and Cyber Crimes at its own Test Centres at Mumbai & Kolkata. The exams shall now be conducted on the 1st and 3rd Saturday of every month for the mentioned courses. Candidates can select the examination date and centre of his/her choice. Registration will be on first come first serve basis. The schedule of the examinations for the said courses is available on our website www.iibf.org.in.

Bank Quest Theme for upcoming issue

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

- Banking: Stepping into the next decade – July – September 2018
- Risk Management & Micro Research Papers 2018: October – December, 2018
- Mutual Funds: January – March, 2019
- Ethics & Corporate Governance in Banks: April – June, 2019
- Emerging technological changes in Banking: July – September, 2019

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 2018 to July 2018, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December, 2017 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 2018 to January 2019, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June, 2018 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.

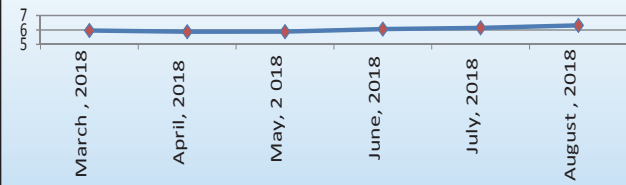
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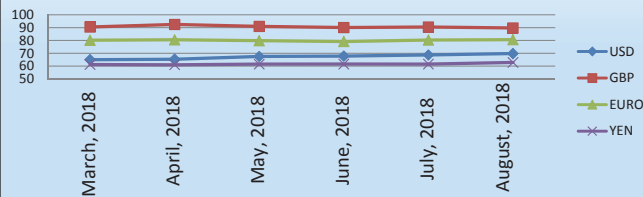
Market Roundup

Weighted Average Call Rates



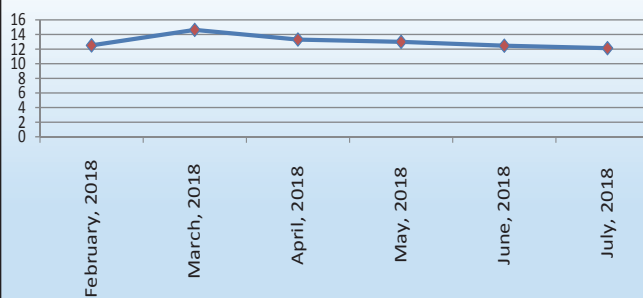
Source: CCIL Newsletter August 2018

RBI Reference Rate



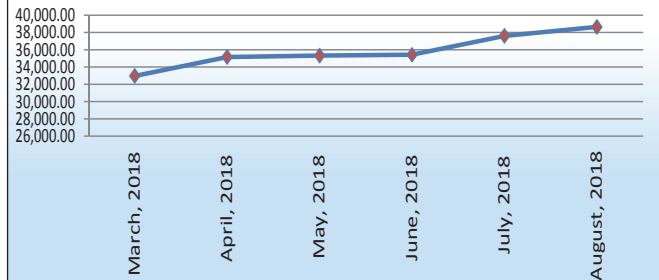
Source: FBIL

Non-food Credit Growth %



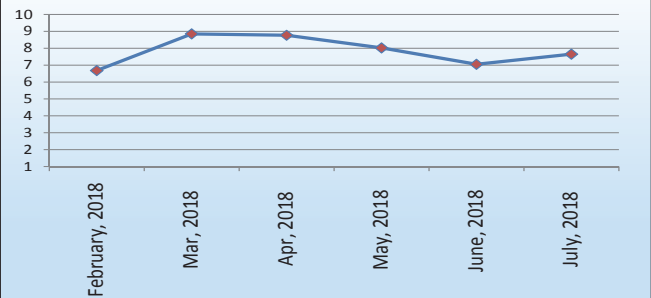
Source: Monthly Review of Economy, CCIL, August 2018

BSE Sensex



Source: Bombay Stock Exchange (BSE)

Aggregate Deposit Growth %



Source: Monthly Review of Economy, CCIL, August 2018

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