



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

Top Stories**RBI tells NBFCs to appoint CRO**

In view of the increasing role of NBFCs in direct credit intermediation, RBI has asked NBFCs with asset size of more than ₹5,000 crore to appoint a chief risk officer (CRO) with clearly specified roles and responsibilities. Emphasizing the need for NBFCs to augment risk-management practices, the RBI wants the CRO to function independently to ensure highest standards of risk management.

To that end, the CRO should possess adequate professional qualification/experience in risk management. The CRO can be appointed for a fixed tenure with the approval of the board. The officer can be transferred/removed from the post prematurely only with the approval of the board. Such premature transfer/removal should be reported to the Department of Non-Banking Supervision of the RBI's regional office, under whose jurisdiction the NBFCs is listed. Any change in incumbency of the CRO should also be reported to the stock exchanges.

NBFCs should institute policies to safeguard the independence of the CRO. In this regard, the CRO should have direct reporting lines to the MD and CEO/ Risk Management Committee (RMC) or the board. In case the CRO reports to the MD and CEO, the RMC/board should meet the CRO without the MD and CEO, at least on a quarterly basis. The CRO should not have any reporting relationship with the business verticals of the NBFC, and should not be given any business targets. He/she should also not be given any other responsibility. The CRO will be involved in the process of identification, measurement and mitigation of risks. All credit products (retail or wholesale) will be vetted by the CRO from the angle of inherent and control risks. The CRO's role in deciding credit proposals will be limited to being an advisor.

RBI extends RTGS transfer timings

RBI has increased the Real Time Gross Settlement (RTGS) time window for customer transactions (initial cut-off) from 4.30 pm to 6.00 pm. The RTGS system is primarily meant for large-value transactions. The minimum amount to be remitted through RTGS is Rs. 2 lakh with no upper or maximum ceiling.

RBI institutes task force on market for corporate loans

The RBI has instituted a task force on the development of secondary market for corporate loans, to increase the efficiency of debt market in general and to aid the resolution of stressed assets in particular. A well-developed secondary market for debt will also help in transparent price discovery of the inherent riskiness of the debt being traded. The task force will have to suggest required policies for facilitating development of secondary market in corporate loans *viz.* loan transaction platform for stressed assets, creating a loan contract registry, its ownership structure and related protocols such as standardization of loan information, independent validation and data access. The task force would design the market structure for loan sales/auctions, including online platforms and the related trading and transaction reporting infrastructure.

RBI forms committee to take stock of mortgage securitization

In order to boost the housing finance securitization market in India, the RBI has formed a committee to review the existing state of mortgage securitization and suggest ways to develop the market. The Committee will examine the existing structure for mortgage-backed securitization transactions, including legal, tax, valuation and accounting-related issues. It will suggest necessary modifications to address the requirements of originators

and investors. It will also suggest measures for facilitating secondary market trading in mortgage securitization instruments, such as, broadening investor base and strengthening market infrastructure. The committee has been tasked to analyze the inter-linkages between securitization and other related financial market instruments and suggest policy interventions to leverage these inter-linkages. The committee will also evaluate the role of various counterparties, including the servicers, trustees, rating agencies in the securitization process and suggest measures to address the key structural, fiduciary and servicer risks.

RBI releases calendar for issuance of gold bonds for first half of FY19-20

RBI has announced the calendar for issuance of sovereign gold bonds for the first half of the current fiscal. The sovereign gold bonds (SGB) will be issued every month from June 2019 to September 2019. The Bonds will be sold through Scheduled Commercial banks (except Small Finance Banks and Payment Banks), Stock Holding Corporation of India Limited (SHCIL), designated post offices and recognized stock exchanges viz, National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The first tranche of the bonds (2019-20 series I) will open for subscription on June 3, while 2019-20 series II will open on July 8. 2019-20 series III and IV will open from August 5 and September 9, respectively. The SGB scheme was launched in November 2015 with an objective to reduce the demand for physical gold and shift a part of the domestic savings used for purchase of gold into financial savings.

NHB directs bigger housing finance firms to appoint CRO

National Housing Bank (NHB) has directed bigger [housing finance companies \(HFCs\)](#) to appoint a chief risk officer (CRO) in a bid to improve risk management practices. HFCs with asset size of more than ₹5000 crore shall appoint a CRO with clearly specified role and responsibilities. In order to ensure highest standards of risk management, the board of HFCs shall institute due policies to safeguard the independence of the CRO, who shall report directly to the Managing Director and Chief Executive Officer.

SEBI opens doors to MFs in commodity derivatives market

In a step that could significantly deepen the commodity derivatives segment (CDS), SEBI has issued norms for participation of mutual funds in commodity derivatives like gold, silver, crude, copper, guar, menthe etc. However, MFs won't be allowed to take positions in sensitive commodities like agri products subject to frequent government intervention and the Essential Commodities Act. Effective May 21, MFs can participate in gold derivatives only through gold exchange traded funds launched by AMCs and in other commodity derivatives through hybrid schemes, which currently invest in equity, debt and gold.

Banking Policies

RBI tweaks KYC norms for regulated entities

The RBI has made some important changes in its master direction on Know-Your-Customer (KYC) norms for regulated entities (REs). Accordingly, banks can now carry out Aadhaar authentication/offline verification of an individual who voluntarily uses ones Aadhaar number for identification purpose. Further, 'proof of possession of Aadhaar number' will also be added to the list of Officially Valid Documents (OVD). For customer identification of individuals desirous of receiving any benefit or subsidy under any scheme notified under Section 7 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016, the bank will have to obtain a certified copy of any OVD, containing details of his/her identity and address along with one recent photograph.

New Appointments

Name	Designation/Organization
Mr. Nitin Chugh	Appointed as CEO and Managing Director of Ujjivan Small Finance Bank w.e.f December 2019



Products & Alliances

Organization	Organization tied up with	Purpose
Paytm	Citibank	To launch a cashback-driven credit card
State Bank of India	Sri Sri Tattva	To help Yono users avail flat 15% discount on their entire range of products.

Forex

Foreign Exchange Reserves		
Item	As on May 24 2019	
	₹ Bn.	US\$ Mn.
	1	2
Total Reserves	29,240.8	4,19,992.1
1.1 Foreign Currency Assets	27,300.1	3,92,188.5
1.2 Gold	1,607.8	23,021.6
1.3 SDRs	100.6	1,445.3
1.4 Reserve Position in the IMF	232.3	3,336.7

Source: Reserve Bank of India

Benchmark Rates for FCNR(B) Deposits applicable for June 2019					
Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	2.27500	2.02650	1.96400	1.96100	1.94370
GBP	0.82490	0.8811	0.9004	0.9249	0.9509
EUR	-0.25610	-0.269	-0.211	-0.166	-0.088
JPY	0.00250	-0.025	-0.039	-0.044	-0.033
CAD	2.20000	1.834	1.801	1.793	1.795
AUD	1.26750	1.220	1.225	1.365	1.425
CHF	-0.67000	-0.707	-0.676	-0.611	-0.545
DKK	-0.18610	-0.1839	-0.1309	-0.0620	0.0182
NZD	1.49250	1.445	1.459	1.498	1.558
SEK	0.01500	0.054	0.111	0.178	0.260
SGD	1.96000	1.855	1.827	1.828	1.845
HKD	2.16000	2.005	1.935	1.930	1.930
MYR	3.45000	3.450	3.470	3.480	3.510

Source: www.fedai.org.in

Glossary

Housing Finance Companies (HFCs)

A Housing Finance Company is a company registered under the Companies Act, 1956 (1 of 1956) which primarily transacts or has as one of its principal objects, the transacting of the business of providing finance for housing, whether directly or indirectly.

Financial Basics

Convertible Bond

A bond which the holder can convert into a specified number of shares issued by the company.

Institute's Training Activities

Training Programmes in June 2019		
Programme	Dates	Location
Post Examination Physical Classroom Learning For Certified Credit Professional Course	13 th to 15 th June 2019	IIBF, PDC, North Zone
Post Examination Physical Classroom learning for Certified Credit Professional training Programme	19 th June to 21 st June, 2019 (3 Days)	IIBF, PDC, South Zone Physical Mode
Post Examination Certification Course on Risk in Financial Services	24 th to 26 th June, 2019 (3 Days)	IIBF, PDC, South Zone-Physical Mode
Post Examination Physical Classroom learning for Certified Credit Professional training Programme	27 th to 29 th June, 2019 (3 Days)	IIBF, PDC, South Zone – Physical Mode

News from the Institute

Self-paced E-learning (SPeL) Courses

The Institute is pleased to announce Self-Paced E-learning courses for two of its certificate courses viz Digital Banking and Ethics in Banking. The objective of this self-paced e-learning is to provide a more conducive training environment to professionals employed in the banking & finance sectors. Under the self-pace e-learning mode, a candidate will have the flexibility to register for the exam, learn at his/her own pace and finally take an examination from his/her own place. Online registrations for the two courses has commenced from 9th April 2019. For more details, please visit the link <http://www.iibf.org.in/documents/SPeL-notice.pdf>.

Case Study Competition

The Institute is organizing Case Study Writing Competition, an initiative to encourage bankers'/finance professionals to share their knowledge and experience through developing cases for enhancing, learning and comprehending complex and multi-fold situations. The Cases, accompanied by Teaching Notes, should be developed on a theme related to Indian Banking. The themes have been categorized on the basis of specialization as Scheme I (Specialized Areas) and Scheme II (General Areas). A participant is also free to develop a case in any other area related to Indian Banking under Scheme II (General Areas). For more details, please visit the link http://www.iibf.org.in/CSR_Case_Study.asp.

Launch of 8th Advanced Management Program (AMP)

The Institute conducts Advanced Management Programme (AMP), a management course for working Officers and Executives from the Banking / Financial Sector. The sessions are conducted at IIBF's Leadership Centre at Kurla, Mumbai and are held on weekends / Bank Holidays. The 8th batch is scheduled to commence from July

2019. For more details, please visit www.iibf.org.in

Mandatory certification of Business Correspondents

The Reserve Bank of India, vide its notification dated 3rd October 2018 has mandated all Business Correspondents to be certified by IIBF, along with timelines. This is done to ensure uniformity in the standards and future mobility of BCs from one bank to another is without any hassles. The examination fees for the second attempt has also been revised from Rs.800 to Rs.400. This, however, can be availed by candidates who appear within 120 days from the first attempt. An appropriate discount structure for Bulk registrations by banks has also been drawn up.

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.

Capacity Building in banks

The Institute offers courses in the four key areas of operations identified by RBI i.e. Treasury Management, Risk Management, Accounting, Credit Management. These are blended in nature with an online examination followed by training for such of those candidates who have successfully cleared the online examination. 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. 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.

Video Lectures now available on YouTube

The facility of video lectures, offered by the Institute for 3 compulsory papers of JAIIB and 2 compulsory papers of CAIIB, is now made available on the Institute’s official YouTubeChannel. The link to the same is <https://www.youtube.com/channel/UCjffIKtvEh8yLb3vwxosGow/playlists>. The Video Lectures for the Business Correspondents have also been recorded both in Hindi and English and these lectures have been placed on the You Tube channel of the Institute.

Bank Quest Theme for upcoming issue

The themes of “Bank Quest” for July - September 2019 issue is “Emerging technological changes in Banking”

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

TRAINING

IIBF conducts Training programmes on different subjects and areas for the Officials of Commercial Banks / RRBs / Co-operative Banks and Financial Institutions.

<ul style="list-style-type: none"> ✓ CREDIT MANAGEMENT ✓ CREDIT APPRAISAL ✓ CREDIT MONITORING ✓ RECOVERY MANAGEMENT ✓ ADVANCED CREDIT APPRAISAL 	<ul style="list-style-type: none"> ✓ INTEGRATED TREASURY MANAGEMENT ✓ RETAIL BANKING ✓ HOUSING FINANCE ✓ RISK BASED INTERNAL AUDIT
<ul style="list-style-type: none"> • GENERAL TRAINING PROGRAMMES ✓ BRANCH MANAGERS PROGRAMME ✓ TURNAROUND STRATEGIES FOR LOSS MAKING BRANCHES ✓ LEADERSHIP DEVELOPMENT PROGRAMMES ✓ TRAINERS TRAINING PROGRAMME ✓ KYC/AML/CFT ✓ COMPLIANCE 	<ul style="list-style-type: none"> • Customised Training Programmes including induction training programmes for Banks/FIs based on their requirements

Experienced and qualified Faculty- Trainee oriented methods

- State-of-the-art Training facilities
- Environment encouraging learning
- Training facilities at Professional Development Centers at Chennai, New Delhi and Kolkata
- Customised Training programmes are conducted for the Banks/FIs as per their requirements including Induction Training Programmes.

FOR FURTHER DETAILS, PLEASE CONTACT:

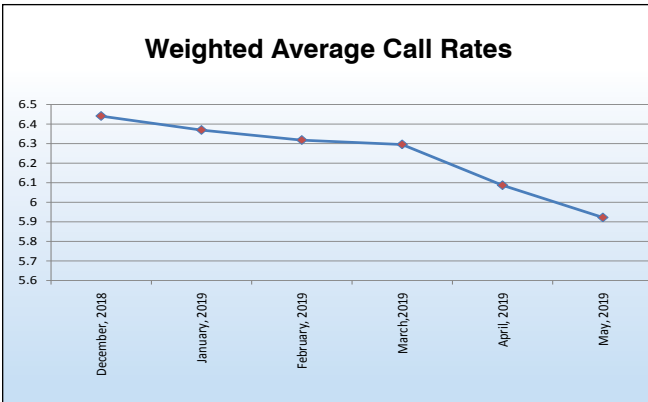
<p>Dr. T C G Namboodiri, Director (Training) . Email: drnamboodiri@iibf.org.in Ph.: 022 2503 7119; Cell: +91 99203 78486 or Ms. Ravita Wadhwa - Dy. Director-Training, Ph: +91-22-25047112; Cell:+91 98718 99953 Email: ravita@iibf.org.in</p>	<p>Indian Institute of Banking & Finance (IIBF) Corporate Office, 3rd Floor, Kohinoor City, Commercial - II, Tower - I, Mumbai - 400 070, India. www.iibf.org.in</p>
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Green Initiative

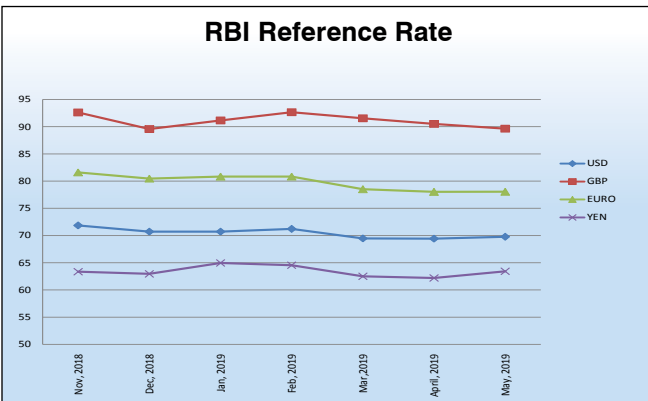
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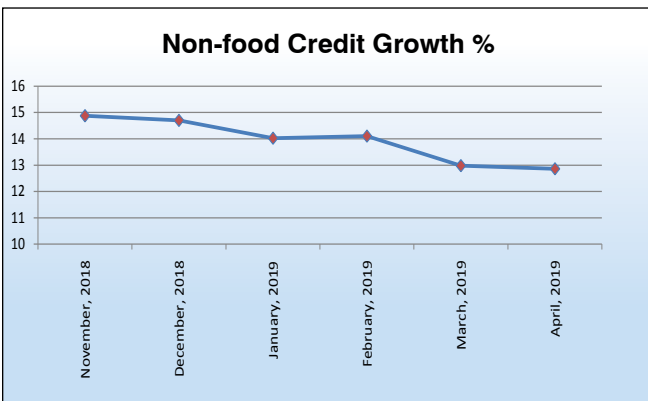
Market Roundup



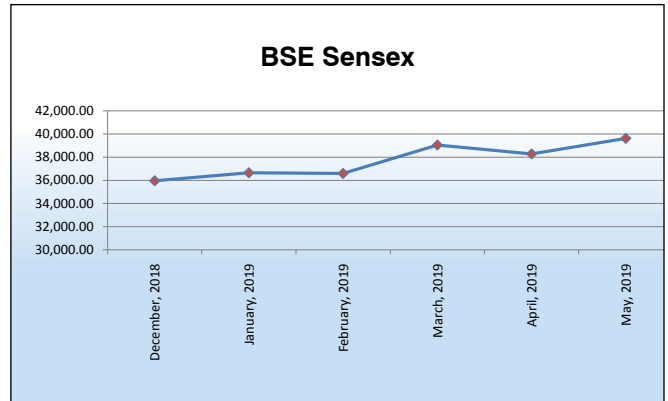
Source: CCIL News Letters - May 2019



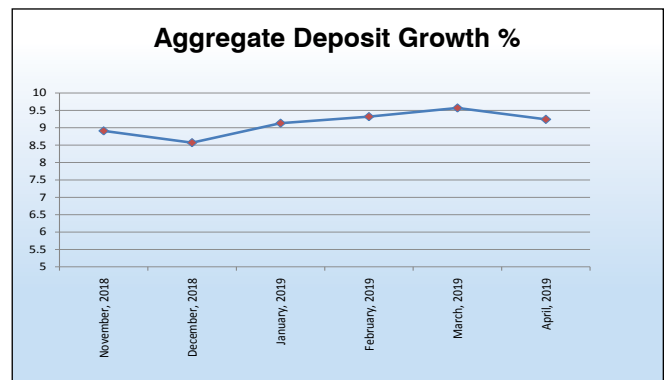
Source: FBIL



Source: Monthly Review of Economy, CCIL, May 2019



Source: Bombay Stock Exchange (BSE)



Source: Monthly Review of Economy CCIL, May 2019

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Editor : Dr. J. N. Misra

INDIAN INSTITUTE OF BANKING & FINANCE
 Kohinoor City, Commercial-II, Tower-I, 2nd Floor, Kirol Road, Kurla (W), Mumbai - 400 070.
 Tel. : 91-22-2503 9604 / 9746/9907 • Fax : 91-22-2503 7332
 E-mail : admin@iibf.org.in
 Website : www.iibf.org.in