



Committed to professional excellence

IIBF VISION

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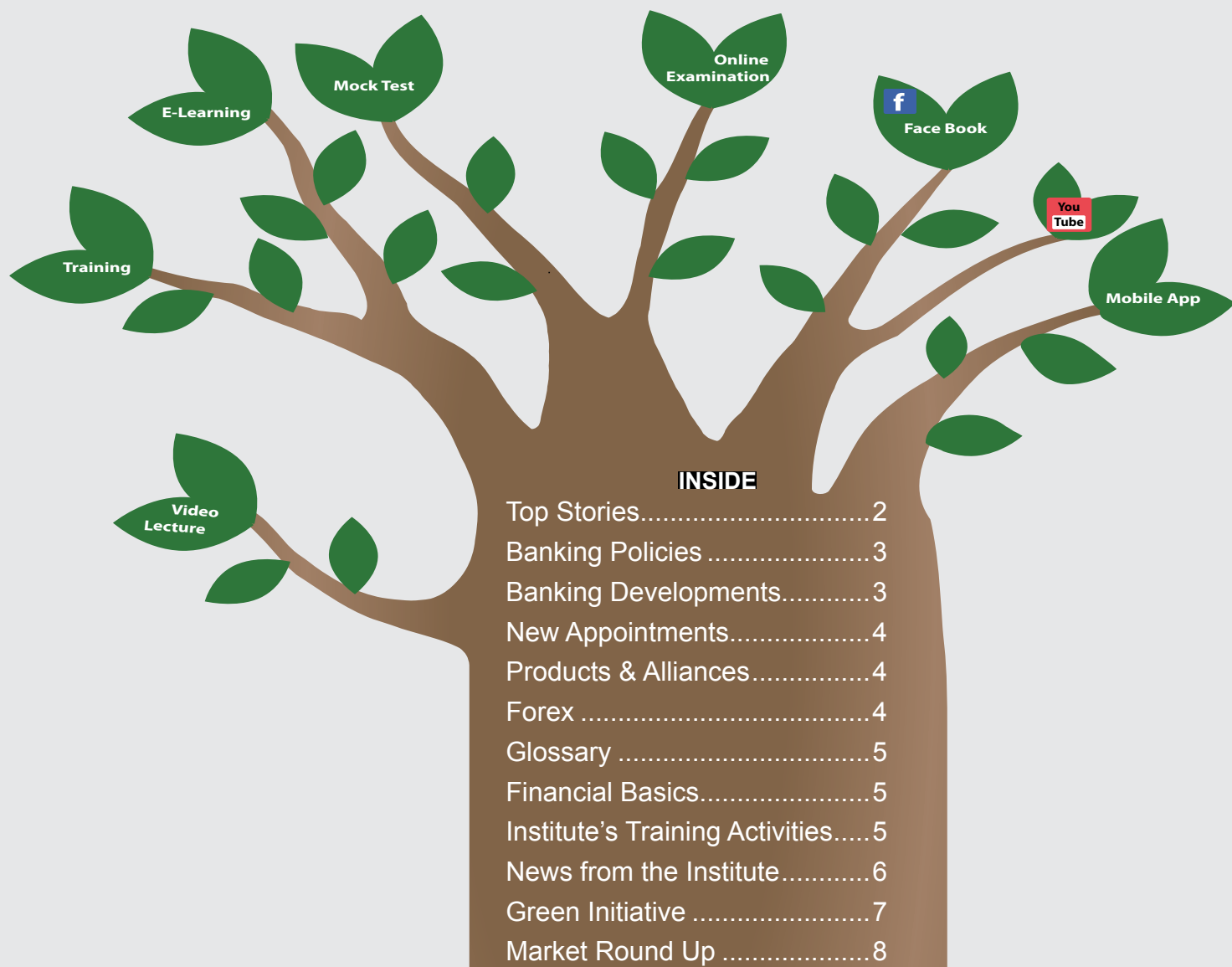
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VISION

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**4th Bi-Monthly Monetary Policy 2019-2020**

The fourth Bi-monthly monetary policy meeting was held on October 1, 3 and 4, 2019. The key highlights of the meeting are:

- Repo Rate reduced by 25 bps to 5.15%
- Reverse Repo Rate reduced to 4.90%
- MSF & Bank Rate reduced to 5.40%

In the statement on developmental and regulatory policies, following measures have been proposed in the 4th bi-monthly monetary policy meeting:

1. NBFC-MFIs

- Proposed to increase household income limit for borrowers of NBFC-MFIs to Rs. 1.25 lakh for rural areas and Rs. 2 lakh for urban/semi urban areas.
- Proposed to raise lending limit from Rs. 1 lakh to Rs. 1.25 lakh per eligible borrower.

2. Offshore rupee markets

- Proposed to allow domestic banks to freely offer foreign exchange prices to non-residents at all times, out of their Indian books, either by a domestic sales team or through their overseas branches.

3. Non-resident rupee account

- To enhance the scope of non-interest bearing Special Non-Resident Rupee (SNRR) account by permitting persons residing outside India to open such accounts for facilitating rupee denominated ECB, trade credit and trade invoicing.

4. Liquidity support for the proposed 24x7 NEFT system

- RBI to extend collateralised liquidity support round the clock. Currently, it is available only till 7.45 pm on NEFT working days.

5. Internal Ombudsman by large non-bank PPI issuers

- To institutionalise internal ombudsman scheme at the large non-bank PPI issuers.
- Internal ombudsman intended to facilitate a swift and cost-effective complaint redressal mechanism within the entity.

6. Payment system data dissemination

- To disseminate more granular information on payment data, covering the payment systems authorised by RBI.

7. Acceptance Development Fund

- To create an 'Acceptance Development Fund' to increase digitization in Tier III to Tier VI centres across the country.

8. Expanding and deepening of digital payments ecosystem

- State /Union Territories (UT) level bankers' committees to identify one district in their respective areas on a pilot basis, in consultation with banks and stake holders. Identified district may be allocated to a bank with significant footprint, endeavouring to make the district 100% digitally enabled.

SEBI releases detailed framework for issuance of Depository Receipt

SEBI has released a detailed framework for issuance of Depository Receipts (DRs) to help Indian companies get increased access to foreign funds. It has specified the eligibility criteria for listed companies and obligations of Indian, as well as, foreign depositories and domestic custodians. Only a listed company is allowed to issue permissible securities; alternately, their holders may transfer such securities for the issuance of DRs.

SEBI issues framework for listing of CPs

SEBI has issued a framework for listing of commercial papers (CPs) on stock exchanges, in order to broaden investor participation in such securities. To enable listing of CPs and to ensure investor protection, SEBI finds it important that an issuer who intends to list such securities, should make appropriate disclosures at the time of listing and on a continuous basis. Under the guidelines, an issuer who desires to list its CP, needs to send an application, along with the specified disclosures, to the stock exchanges. The issuer will also have to disclose financial results, asset liability management and details of the issue. After the application gets the stock exchange's approval, these disclosures, along with the application, will have to be made available on the website of the bourse.

Banking Policies

RBI guidelines on 'on-tap' payment systems authorisation

With an aim to encourage innovation and healthy competition, the RBI has issued guidelines on 'on-tap' authorisation of payment systems, including minimum net-worth criteria for different players. So far, on-tap authorisation has been offered to Bharat Bill Payment Operating Unit (BBPOU), Trade Receivables Discounting System (TReDS) and White Label ATMs (WLAs).

Entities desirous to function, operate or provide platforms for BBPOU, should have a Rs. 100 crore net worth and should be maintained at all times. Entities desirous of entering the WLA segment should have a minimum net-worth of ₹100 crore, whereas, in case of TReDS, the minimum paid up equity capital should be ₹ 25 crore.

Banking Developments

RBI asks state-level banks to expand digital payments ecosystem

The Reserve Bank of India (RBI) has directed all state-level bankers' committees to earmark one district each on a pilot basis, to expand the digital payments ecosystem. The identified district shall be allotted to a bank having significant digital footprint with an aim to make the district 100% digitally enabled within one year. The RBI aspires that every individual in the district should be able to make/receive payments digitally in a safe, secure, quick, affordable and convenient manner. RBI will help provide the necessary infrastructure and literacy

to handle such transactions. The allotment of the identified district to a bank should ideally be done through mutual consultation and voluntary acceptance by the bank. Further, SLBC/UTLBC convenor banks are advised to monitor the progress on a quarterly basis and report the same to concerned regional offices/sub-offices of the RBI.

Install policy for making investments in InvITs

RBI has asked banks to install a board-approved policy for making investment in infrastructure investment trusts (InvITs) – a collective investment scheme that enables direct investment of money from individual and institutional investors in infrastructure projects (and return out of their investment). The audit committee of bank boards shall review the compliance on a half-yearly basis. Banks will lend to only those InvITs where none of the underlying SPVs, having existing bank loans, is facing financial difficulty.

New Appointments

Name	Designation/Organisation
Mr. Mallikarjuna Rao	Appointed as MD & CEO of Punjab National Bank



Products & Alliances

Organisation	Organisation tied up with	Purpose
Government e-Marketplace (GeM)	Union Bank of India	To offer several services to GeM, including transfer of funds.
Government e-Marketplace (GeM)	Federal Bank	To offer number of payment related services to GeM, including transfer of funds.

Forex

Foreign Exchange Reserves		
Item	As on October 25, 2019	
	₹ Bn.	US\$ Mn.
	1	2
Total Reserves	3139068	442583
1.1 Foreign Currency Assets	2911171	410453
1.2 Gold	191868	27052
1.3 SDRs	10219	1441
1.4 Reserve Position in the IMF	25810	3637

Source: Reserve Bank of India

Benchmark Rates for FCNR(B) Deposits applicable for November 2019					
Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	1.71900	1.61600	1.55480	1.55500	1.54500
GBP	0.74090	0.7679	0.756	0.7579	0.7628
EUR	-0.35000	-0.357	-0.335	-0.300	-0.250
JPY	-0.06750	-0.094	-0.091	-0.111	-0.101
CAD	2.09000	1.844	1.824	1.809	1.796
AUD	0.89360	0.848	0.866	0.996	1.038
CHF	-0.66750	-0.663	-0.608	-0.561	-0.530
DKK	-0.27050	-0.254	-0.240	-0.194	-0.152
NZD	1.05800	1.060	1.042	1.069	1.113
SEK	0.14400	0.140	0.150	0.172	0.208
SGD	1.46250	1.445	1.460	1.478	1.520
HKD	2.04000	1.915	1.860	1.830	1.820
MYR	3.32000	3.290	3.310	3.320	3.345

Source: www.fedai.org.in

Glossary

Trade Receivables Discounting System (TReDS)

Trade Receivables Discounting System (TReDS) is a scheme for setting up and operating the institutional mechanism for facilitating the financing of trade receivables of MSMEs from corporate and other buyers, including Government Departments and Public Sector Undertakings (PSUs), through multiple financiers. The TReDS will facilitate the discounting of both invoices as well as bills of exchange. The transactions processed under TReDS will be “without recourse” to the MSMEs.

Financial Basics

Haircut

A haircut refers to the lower-than-market value placed on an asset being used as collateral for a loan. The size of the haircut is largely based on the risk of the underlying asset. Riskier assets receive larger haircuts. The haircut is expressed as a percentage of the markdown between the two values.

Institute's Training Activities

Training Programmes in November 2019		
Programme	Dates	Location
Post Examination Learning For Certified Credit Professional	14 th to 16 th November 2019	VCRT
Post Examination Classroom Learning For Certified Accounting & Audit Professional	15 th to 17 th November 2019	Mumbai

Training Programmes in November 2019

Programme	Dates	Location
Post Examination Classroom Learning for Certificate on Risk In Financial Services Course	18 th to 20 th November 2019	New Delhi
Post Examination Learning For Certified Treasury Professionals	20 th to 22 nd November 2019	VCRT
Post Examination Classroom Learning For Certified Treasury Professionals	20 th to 22 nd November 2019	Kolkata
Post Examination Classroom Learning for Certificate on Risk In Financial Services Course	28 th to 30 th November 2019	Chennai

News from the Institute
10th R K Talwar Memorial Lecture

The 10th R K Talwar Memorial Lecture, to be hosted by the Institute, is scheduled to be held on 22nd November 2019 by Mr. Sanjeev Sanyal, Principal Economic Advisor, Government of India and Co-chair of G20's Framework Working Group. The topic for the lecture is "Dealing with Uncertain World: Regulation vs Supervision".

Research Fellowship in Banking Technology

The research fellowship in Banking Technology, fully funded by IIBF, is a initiative of IIBF and IDRBT. The fellowship aims to sponsor technically and economically feasible research projects which has the potential to contribute significantly to the Banking and Finance industry. The areas in which the research proposals are invited are listed in the website. The scheme is open from 15.10.2019 to 14.01.2020.

Call for Micro / Macro Research Proposals

The Institute invites micro papers and macro research proposals for the year 2019-20. The topics on which the micro / macro papers are to be submitted are listed in the website. The last date for submitting the papers / proposals is 31st January 2020. 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 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 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. Online registrations for the two courses has commenced from 9th April 2019. 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 Payments Banks. The Syllabus for the exam has been revised in consultation with RBI. The Institute has also tied up with CSC E-Governance 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 upcoming issue of “Bank Quest” of October - December, 2019 is “Financial Inclusion & Financial Literacy”.

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:

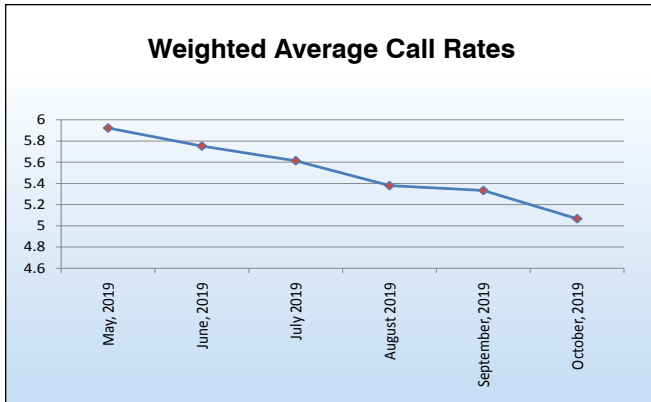
- (i) In respect of the exams to be conducted by the Institute for the period from August 2019 to January 2020, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June, 2019 will only be considered for the purpose of inclusion in the question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

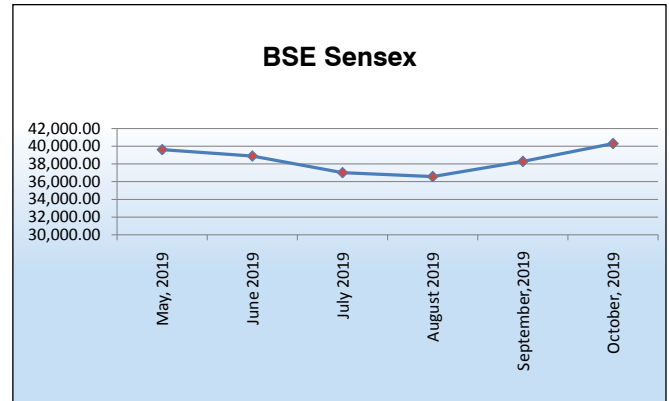
Members are requested to update their e-mail address with the Institute and send their consent to receive the Annual Report via e-mail.

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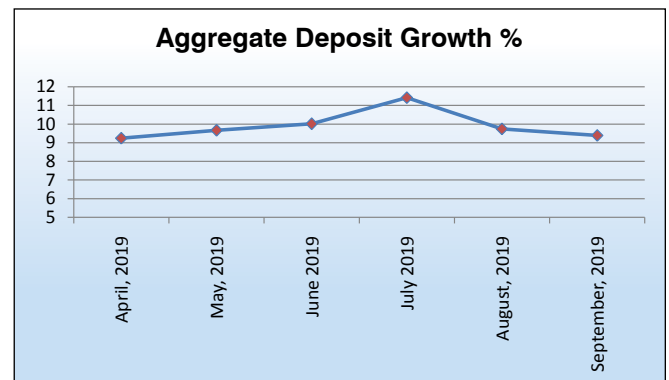
Market Roundup



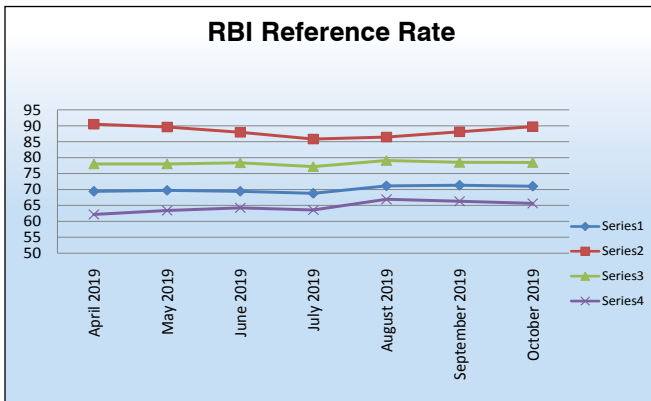
Source: CCIL News Letters - October 2019



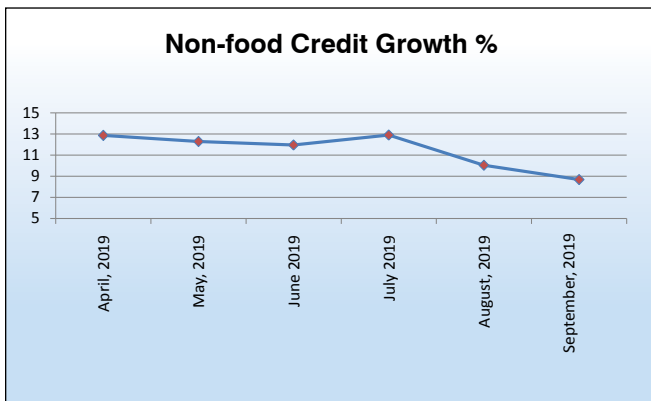
Source: Bombay Stock Exchange (BSE)



Source: Monthly Review of Economy CCIL, October 2019



Source: FBIL



Source: Monthly Review of Economy, CCIL, October 2019

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