



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**Highlights of 5th Bi-monthly Monetary Policy 2018-19**

The 5th bi-monthly monetary policy 2018-19 was held from December 3, 2018 to December 5, 2018. The key highlights of the meeting were:

- Retail and MSEs loans to be linked to an external benchmark from April 2019.
- SLR to be cut to 18%, with quarterly 25 bps reduction from January 2019.
- Expert committee on MSMEs proposed.
- NRIs can trade in interest rate derivatives.
- Mandatory loan component in working capital finance from April 2019.
- Limited liability for users of prepaid payment instruments.

NSFR norms for banks from April 2020: RBI

Net stable funding ratio (NSFR) norms, which mandate banks to maintain a stable funding profile vis-à-vis the composition of their assets and off-balance sheet activities, will be operational from April 2020. NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. After the global financial crisis of 2007, the Basel Committee on Banking Supervision (BCBS) proposed certain reforms to strengthen global capital and liquidity regulations for promoting a more resilient banking sector.

Interest subsidy hiked for MSMEs

To boost MSME sector exports, RBI has raised the interest subsidy on post and pre-shipment export credit from 3% to 5%. Exporters get the subsidy under the 'Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit'.

SEBI eases cyber security operation norms for small market intermediaries

SEBI has relaxed guidelines pertaining to setting up cyber security operations center for small market intermediaries as they lack knowledge in cyber security. Accordingly, small intermediaries can utilize services of the market Security Operation Center (SOC) which is proposed to be set up by market infrastructure institutions (MIIs) to provide cyber security solutions to such intermediaries. The SOC will be set up as a separate entity, with the MIIs having at least 51% stake in the same. Intermediaries incapable of setting up such centers on their own, can opt for market SOC. Market SOC will provide only the technology perspective for cyber security guidelines, but people and process perspectives of cyber security would still have to be managed by intermediaries.

SEBI eases norms for clubbing of FPI investment limits

SEBI has relaxed its norms for clubbing of investment limits by well-regulated foreign investors. Accordingly, multiple entities having common ownership (directly or indirectly) of more than 50%, will be treated as part of the same investor group and their investment limits would be clubbed.

SEBI's new norm for significant beneficial owner information

From 31 March, 2019, market regulator SEBI has made it mandatory for listed companies to make disclosures about details pertaining to significant beneficial owners in a prescribed format. The details will include name, PAN and nationality of the significant beneficial owner, as well, as registered owner.

Banking Policies

RBI relaxes asset securitization rules

In order to ease persistent stress in the sector, the Reserve Bank of India (RBI) has relaxed rules for NBFCs to sell or securitize their loan books. NBFCs can now securitize loans of more than five-year maturity after holding them for six months on their books, provided, the NBFC retains 20% book value of these loans.

RBI caps ECB at 6.5% of GDP

The RBI has announced that total external commercial borrowings (ECB) will now be rule-based and capped at 6.5% of the GDP. The limit now stands at about \$160 billion for the current fiscal year, against the actual outstanding of \$126.29 billion as of September 30. RBI already has a rule-based exposure for foreign investors' exposure in bonds, whereby foreigners are allowed to invest up to 6% of the outstanding debt.

New Appointments

Name	Designation/Organization
Mr. Shaktikanta Das	Governor, Reserve Bank of India
Mr. A. S. Rajeev	Managing Director & Chief Executive Officer, Bank of Maharashtra
Mr. Shenoy Vishwanath Vittal	Executive Director, Indian Bank

Forex

Foreign Exchange Reserves		
Item	As on December 28, 2018	
	₹ Bn.	US\$ Mn.
	1	2
Total Reserves	27,523.10	3,93,404.30
1.1 Foreign Currency Assets	25,757.50	3,68,077.20
1.2 Gold	1,478.50	21,224.40
1.3 SDRs	102.4	1,462.70
1.4 Reserve Position in the IMF	184.7	2,640.00

Source: Reserve Bank of India

Benchmark Rates for FCNR(B) Deposits applicable for January 2019
Base Rates for FCNR(B) Deposits

Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	2.74800	2.66400	2.59530	2.58440	2.61200
GBP	1.00530	1.1656	1.2330	1.2862	1.3261
EUR	-0.21380	-0.159	-0.063	0.060	0.208
JPY	0.02880	0.028	0.016	0.023	0.034
CAD	2.54000	2.247	2.252	2.269	2.299
AUD	1.97750	1.936	1.950	2.168	2.248
CHF	-0.62250	-0.530	-0.433	-0.325	-0.215
DKK	-0.08270	-0.0193	0.0882	0.2268	0.3727
NZD	2.03500	2.018	2.080	2.158	2.255
SEK	-0.07000	0.070	0.214	0.365	0.518
SGD	1.84500	1.835	1.835	1.865	1.920
HKD	2.20000	2.250	2.290	2.315	2.340
MYR	3.70000	3.700	3.740	3.800	3.830

Source: www.fedai.org.in

Glossary

Post Shipment Rupee Export Credit

Post shipment Credit means any loan or advance granted or any other credit provided by a bank to an exporter of goods /services from India from the date of extending credit after shipment of goods rendering of services to the date of realisation of export proceeds as per the period of realization prescribed by Foreign Exchange Department, and includes any loan or advance granted to an exporter, in consideration of, or on the security of any duty drawback allowed by the Government from time to time.

Financial Basics

Currency Swap

A Currency Swap is an exchange of cash flow in one currency, with that of another currency. The cash flow may relate to repayment of principal and/or interest under a loan obligation where the lender or the borrower intends to eliminate currency risk.

Institute's Training Activities

Training Programmes in January / February 2019		
Programme	Dates	Location
1. Post Examination classroom learning for Certified Credit Professional	14 th February to 16 th February 2019	Ernakulam
2. Post Examination classroom learning for Certified Credit Professional	28 th January 2019 to 30 th January 2019	Chennai
3. Post Examination Classroom Learning For Certified Credit Professional Course	28 th January 2019 to 30 th January 2019	New Delhi
4. Post Examination Physical Mode Classroom Training for Certified Credit Professional	23 rd January, 2019 to 25 th January, 2019	Mumbai
5. Post Examination Virtual Classroom Training for Certified Treasury Professional	16 th to 18 th January 2019	Virtual
6. Post Examination Physical Mode Classroom Training for Certified Accounting & Audit Professional	19 th to 21 st January, 2019	Mumbai
7. Programme On "Financing MSMEs"	21 st to 23 rd January 2019	Mumbai

News from the Institute

Mandatory certification of BCBF

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. To facilitate BCs to better understand the subject, an additional pedagogical tool is being provided by the Institute. Video lectures delivered by subject matter experts are recorded and shall be made available on the Institute's YouTube Channel after January 15, 2019. These lectures will be available in two languages i.e. English and Hindi. Further, 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.

GM HR Meet on 13th February, 2019 at Mumbai

The Institute is organizing its annual meet of HR and Training Heads of banks/FIs to take feedback about the relevance/effectiveness of the courses offered and know the Industry requirements to address the emerging challenges. The meet is scheduled on 13th February 2019 at the Leadership Centre, Mumbai. This will be followed by a session on Interactive Integrity by Mr. Kevin Moore, Director, CISI (Chartered Institute of Securities & Investment), London.

Call for Micro/Macro Research Proposals

The institute invites Micro Papers & Macro Proposals for the year 2018-19. The last date of submitting the papers / proposals is 31st January 2019. For details visit www.iibf.org.in.

Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) for the year 2018-19

The Institute invites applications for DJCHBBORF. The objective of the fellowship is to provide the successful candidate an opportunity to undertake a research study on the latest developments in the field of banking and finance in India or abroad. The last date for receipt of applications is 28.02.2019. For more details visit www.iibf.org.in

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

IIBF is the only Institution, among the Institutions recognised by RBI, which has courses covering all the areas mandated by RBI viz Credit, Treasury, Risk Management, Accounting & Audit and Foreign Exchange 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.

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 YouTube Channel. The link to the same is <https://www.youtube.com/channel/UCjffIKtvEh8yLb3vwxosGow/playlists>

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](http://www.iibf.org.in).

Bank Quest Theme for upcoming issue

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

- 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.

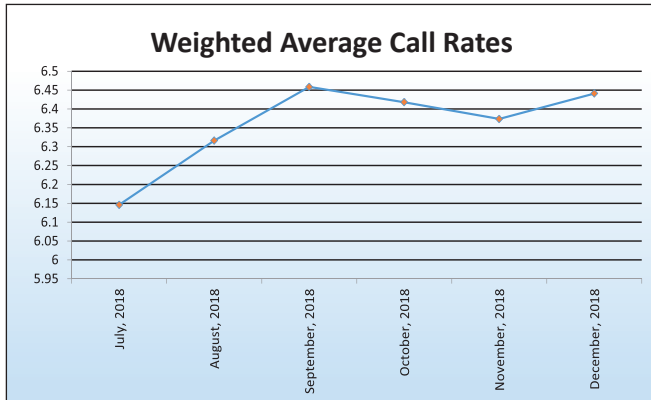
Green Initiative

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

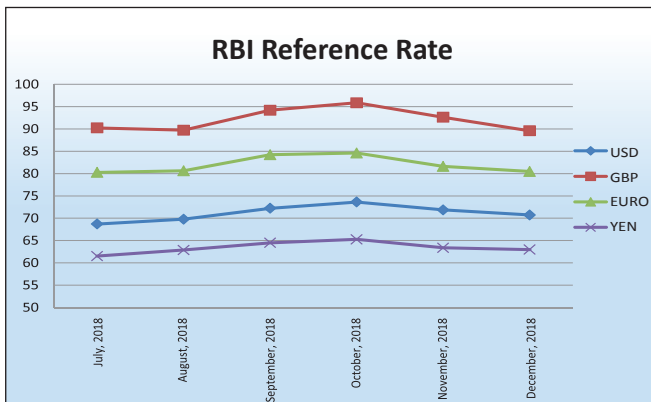


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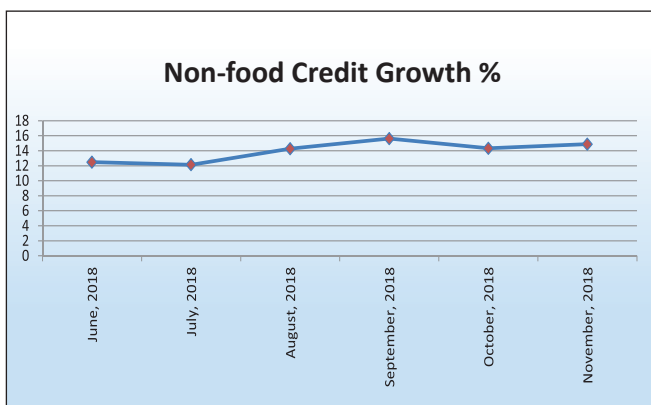
Market Roundup



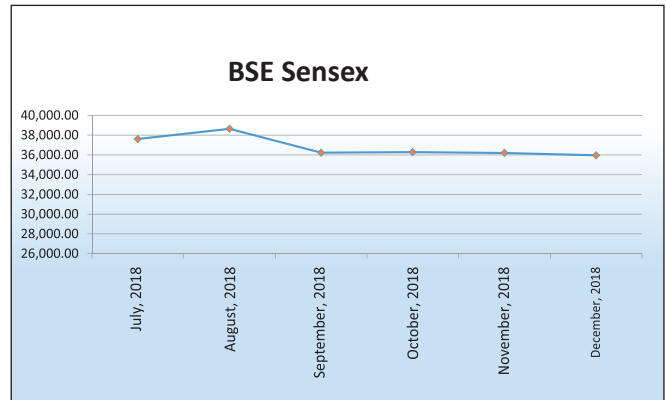
Source: CCIL Newsletter, December 2018



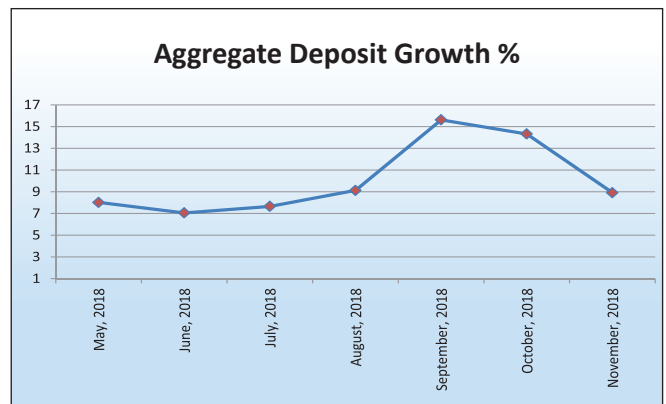
Source: FBIL



Source: Monthly Review of Economy, CCIL, December 2018



Source: Bombay Stock Exchange (BSE)



Source: Monthly Review of Economy, CCIL, December 2018

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