



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

Key highlights of MPC meeting held from October 7-9, 2020

The third monetary policy meeting was held from 7th October to 9th October 2020. The key highlights of the meeting were:

- Repo rate unchanged at 4.00%.
- Reverse repo rate unchanged at 3.35%.
- Bank Rate and Marginal Standing Facility (MSF) unchanged at 4.25%.
- CRR maintained at 3% of NDTL.
- Enhanced HTM limits in SLR investments extended up to March 31, 2022 for securities acquired between September 1, 2020 and March 31, 2021. The HTM limits will be restored from 22% to 19.5% in a phased manner starting from the quarter ending June 30, 2022.
- To conduct Open Market Operations (OMOs) in State Developments Loans (SDLs) comprising securities issued by states, as a special case during the current financial year, to improve liquidity and facilitate efficient pricing.

RBI announces On Tap TLTRO

The Reserve Bank of India (RBI) has allowed banks to avail on-tap funds under the targeted long-term repo operations (TLTRO) to invest in papers issued by companies in agriculture, agri-infrastructure, secured retail, micro, small and medium enterprises (MSMEs), drugs, pharmaceuticals and healthcare. The scheme will remain operational till March 31, 2021 and all banks will be eligible to participate. Funds will be released every Monday for a 3-year repo contract with the requesting banks who issue a request in the previous week. Multiple requests by an individual bank in a week, will be clubbed into a single repo contract. If the requested amount exceeds the remaining amount under the scheme on the date of operation, the remaining amount will be distributed on a pro-rata basis among all the eligible requests.

RBI has also allowed banks to reverse their TLTRO money taken between March 27, 2020 to April 23, 2020, in order to unwind the TLTRO money and borrow under the cheaper on-tap TLTRO plan.

SEBI issues framework for debenture trustees signing ICAs

The SEBI has laid down the framework for debenture trustees (DTs) signing [inter-creditor agreements \(ICAs\)](#) on behalf of investors. Accordingly, the resolution plan shall be finalized within 180 days from the end of the review period. If it is not finalized (within this timeframe), the DT(s) shall be free to exit the ICA with the same rights as if it had never signed the ICA and the resolution plan shall not be binding on the DTs.

Banking Policies

RBI clarifies about loan recast, OTR, loan against property

The RBI, in the FAQs for one-time restructuring (OTR), has clarified that outstanding debt on the date of invocation can be restructured under the regulatory scheme for borrowers facing financial stress due to the Covid-19 pandemic. Many changes have occurred in the last seven months for borrowers who opted for moratorium, and even for those who did not. For example, in the business unit, working capital levels and amount of interest levied are now different compared to March 2020, thus changing the outstanding amount. Hence, this tweaking was necessary.

Banks have to invoke restructuring plans not later than December 31, 2020. The resolution plan for personal loans must be implemented within 90 days from the date of invocation; albeit, the lending institutions should strive for early invocation. For corporate debt, the plan must be implemented within 180 days.

As for loan against properties (LAP), the LAP for business purposes with immovable property as security is not classified as personal loan. So, it can be restructured only under the framework for non-individual borrowers facing stress due to Covid-19.



Insurance

IRDAI introduces standard life product

The Insurance Regulatory and Development Authority of India (IRDAI) has issued a standard, individual term life insurance product called Saral Jeevan Bima for Bharat, to be mandatorily offered by all life insurance companies from January 1, 2021, onwards. Insurers have to file the product with IRDAI latest by December 1, 2020.

The product is a non-linked non-participating individual pure-risk premium life insurance plan. It will pay the sum assured in lump-sum to the nominee, in case of the life assured's death during the policy term. Earlier, the IRDAI had introduced a standard health product called Arogya Sanjeevani and standard Covid products viz. Corona Kavach and Corona Rakshak. Under the standard term product, there are no exclusions, other than suicides.

Saral Jeevan Beema will be offered to individuals without restrictions on gender, place of residence, travel, occupation or educational qualifications. The minimum sum assured under the product will be Rs 5 lakh; the maximum can go up to Rs 25 lakh. However, the insurer will have the option of providing sum assured beyond Rs 25 lakh. The minimum age of entry is 18 years, and the maximum has been capped at 65. The maximum maturity age will be 70 years. The policy term will extend from 5 to 40 years. The plan is mainly aimed at the lower-income group i.e., 20-25% for whom term life insurance becomes the last priority due to higher premiums.

IRDAI allows renewal, migration and portability of Covid-specific products

With Covid cases still not abating, the IRDAI has modified its earlier guidelines for 'Corona Kavach' and 'Corona Rakshak' and allowed renewal, migration and portability of the same. These Corona-specific policies of any tenure can be renewed for further terms of three-and-a-half months, six-and-a-half months or nine-and-a-half months as per the option exercised by the policyholder, subject to the insurer's underwriting policy. Renewal has to be done before the expiry of the existing policy contract. Hence, the renewal of these policies has been allowed till 31st March, 2021.

Furthermore, on renewal, there will be no additional waiting period of 15 days and the policy coverage will continue seamlessly. During renewal, the sum insured can also be changed by the policyholders. But if there is an increase in the sum insured, the waiting period shall start afresh only for the enhanced portion of the sum insured.

As for migration, for Corona Kavach policies, insurers have the choice to offer migration to any other indemnity-based health insurance product offered by them as per the option exercised by the policyholder.

In case of group policies, insurers can provide migration to the members insured to any other individual indemnity-based health policy at the point of exit of the member insured from the group policy or the cessation of coverage of the underlying group policy.

In case migration is allowed, the accrued gains of waiting period served in the existing Corona Kavach policy (individual or group policies) should be protected. IRDAI has also asked the insurers to allow portability of Corona Kavach (individual) policy from one insurer to another. The accrued gains of the waiting period will be intact during portability too.

New Appointments

Name of Official	Name of Institution
Mr. Rajeshwar Rao	Deputy Governor, RBI

Forex

Foreign Exchange Reserves		
Item	As on October 23, 2020	
	₹ Cr.	US\$ Mn.
	1	2
Total Reserves	4126040	560532
1.1 Foreign Currency Assets	3809474	517524
1.2 Gold	271325	36860
1.3 SDRs	10949	1487
1.4 Reserve Position in the IMF	34292	4661

Source: Reserve Bank of India

Benchmark Rates for FCNR(B) Deposits applicable for November 2020

Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.21600	0.24700	0.27900	0.32450	0.40740
GBP	0.03480	0.0599	0.1002	0.1465	0.1924
EUR	-0.51000	-0.520	-0.524	-0.503	-0.473
JPY	-0.03750	-0.038	-0.038	-0.034	-0.025
CAD	0.73000	0.549	0.600	0.683	0.768
AUD	0.08800	0.090	0.108	0.181	0.261
CHF	-0.72000	-0.743	-0.719	-0.675	-0.615
DKK	-0.15080	-0.2297	-0.2315	-0.2316	-0.2141
NZD	0.06800	0.020	0.025	0.060	0.120
SEK	-0.04100	-0.028	-0.005	0.033	0.073
SGD	0.18400	0.220	0.285	0.390	0.483
HKD	0.47000	0.460	0.490	0.545	0.610
MYR	1.85000	1.840	1.920	2.020	2.120

Source: www.fedai.org.in

Glossary

Inter-Creditor Agreement (ICA)

An Intercreditor Agreement, commonly referred to as an inter-creditor deed, is a document signed between two or more creditors, stipulating in advance how their competing interests are resolved and how to work in tandem in service to their mutual borrower. In a typical scenario, there are two creditors involved in a given agreement – a senior(s) and subordinate (junior) lender(s). However, in some circumstances, there may be more than two senior lenders. In such instances, there needs to be another agreement defined among themselves.

Financial Basics

Operating Cycle

Operating Cycle measures the number of days a company makes 1 complete operating cycle, i.e. purchase merchandise, sell them, and collect the amount due. A shorter operating cycle means that the company generates sales and collects cash faster. The formula is given as

Operating Cycle = Days Inventory Outstanding + Days Sales Outstanding

Institute's Training Activities

Training Programmes for the month of November/December 2020

Programme	Dates	Location
Lending to MSMEs & Restructuring MSME Advances	17 th to 19 th November 2020	Virtual by Mumbai office
Risk Management in Banks	18 th to 20 th November 2020	Virtual by Mumbai office
International Trade Finance	22 nd & 23 rd November 2020	Virtual
MSME Lending	26 th & 27 th November 2020	Virtual by PDC Kolkata
NPA Management	27 th to 29 th November 2020	Virtual by Mumbai office
Agriculture Finance	2 nd & 3 rd December 2020	Virtual by PDC Kolkata
Certified Bank Trainer	4 th to 6 th December 2020	Virtual
Certified Banking Compliance	8 th to 10 th December 2020	Virtual

News from the Institute

Remote Proctored Examinations

The Institute has introduced Remote Proctored Examinations (RPEs). RPEs allow flexibility to candidates of appearing for the exams from the comfort of their homes while simultaneously enhancing the knowledge base. The salient features are as under:

- Remote proctoring for 8 Certificate examinations was held in August 2020 and 13 Certificate examinations were held in September and October 2020.
- The dates for holding these exams during November 2020 are indicated on the Institute's website.
- There will be no change in the examination fee.
- Remote proctoring will be done in combination with auto-proctoring and physical remote proctoring processes.

Important instructions and FAQs on this mode of examination have been placed on the website of the Institute.

For details, please click on the link http://iibf.org.in/exam_related_notice.asp

New course

A certificate on “Resolution of Stressed Assets of Banks, with special emphasis on the Insolvency & Bankruptcy Code 2016” has been introduced by the Institute. The date of the first exam will be announced shortly. The course aims to develop among banking professionals and employees an understanding of the Code, enable bankers to better understand the procedure to be followed for resolution of stressed assets and their roles in an insolvency resolution process and strengthen their capacity to discharge their duties and responsibilities, including commercial decisions with utmost care and diligence, in the best interests of all stakeholders.

Introduction of Professional Banker Qualification

The Institute will be introducing a gold level aspirational qualification which will epitomize the pinnacle in learning and knowledge. This qualification which will be known as “Professional Banker” will be a unique qualification to plug the long-felt skill gap in mid-management levels and will provide cutting edge knowledge to professionals in banking & finance fields.

A banker seeking to achieve status of a “Professional Banker” needs to have an experience of five years. The details of the qualification will be announced by the Institute in due course.

Revised Continuous Professional Development (CPD) scheme

The Institute has revised the existing Continuous Professional Development (CPD) scheme, effective 15th September 2020. New courses introduced by the Institute have been included, credits for lectures/seminars/webinars attended have been revised. Such candidates who have scored the required credits under the CPD scheme within a year shall now be given the certificate, subject to validation of the documents submitted. Qualifications acquired from IIBF in the last 9 months, commencing from the date of declaration of result up to date of registration under CPD program, are eligible for credits under the revised scheme. For more details, kindly visit www.iibf.org.in.

Collaboration with Chartered Banker Institute.

On 27th June 2017, IIBF had entered into a Mutual Recognition Agreement (MRA) with the Chartered Banker Institute offering a pathway for the Certified Associates of the Indian Institute of Bankers (CAIIB) from India to have their qualifications recognised by the Chartered Banker Institute, and be able to become Chartered Bankers by studying the Chartered Banker Institute’s Professionalism, Ethics & Regulation module, and successfully completing a reflective assignment.

Taking forward this MRA, a pathway is now being made available for the Junior Associates of the Indian Institute of Bankers (JAIIB) to also acquire the Chartered Banker Status through the JAIIB Professional Conversion Route.

The date of announcing the programme will be decided in consultation with the Chartered Banker Institute and will be announced shortly.

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), SavitribaiPhule 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, since April 2019, has introduced 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 online for the exam, learn, and take an examination from his/her own place. 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 Payment Banks. The Syllabus for the exam has been revised in consultation with RBI. The Institute has also tied up with CSR – e –

Governance and BFSI-SSC 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 Themes for upcoming issues

The themes for the upcoming issues of our quarterly Bank Quest journal are:

- October-December 2020 - Challenges & opportunities due to COVID 19 for credit intermediaries
- January–March 2021: Role of financial sector in supporting Atmanirbhar Bharat initiative of GOI.
- April–June 2021: Infrastructure Financing – New Normal
- July–September 2021: Evolution & future of Monetary & Fiscal Policies – Sub Themes: Regulatory Framework, Monetary Framework, Fiscal Framework
- October–December 2021: International Financial Centres.
- January–March 2022: Effective resolution of stressed assets.

Cut-off date of guidelines /important developments for examinations

The Institute has a practice of asking 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 2020 to July 2020, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December, 2019 will only be considered for the purpose of inclusion in the question papers.

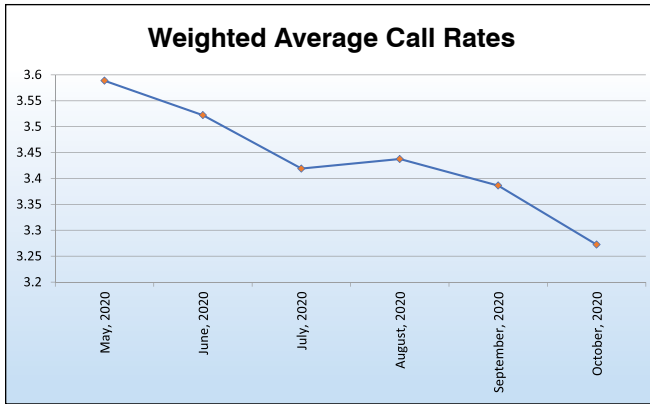
(ii) In respect of the exams to be conducted by the Institute for the period from August 2020 to January 2021, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June, 2020 will only be considered for the purpose of inclusion in the question papers.

Green Initiative

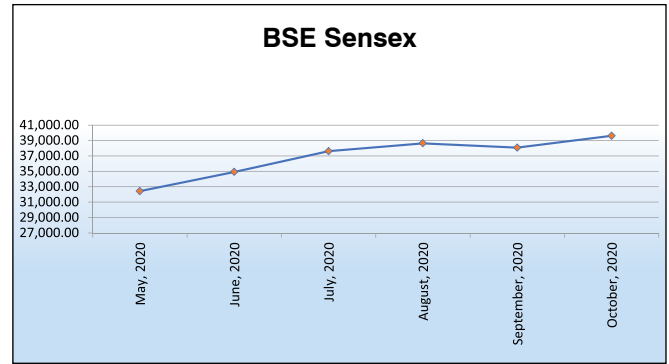
Members are requested to update their e-mail address with the Institute and send their consent to receive the Annual Report via e-mail.

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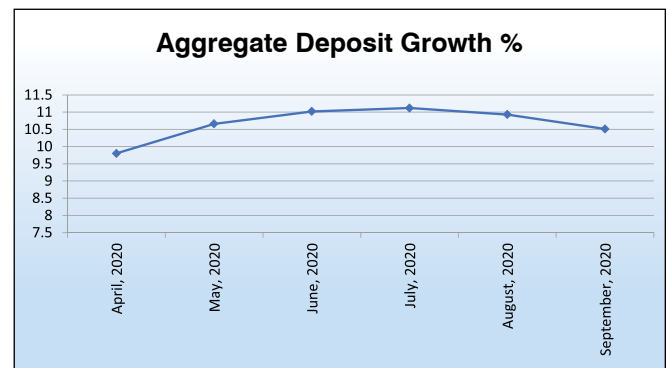
Market Roundup



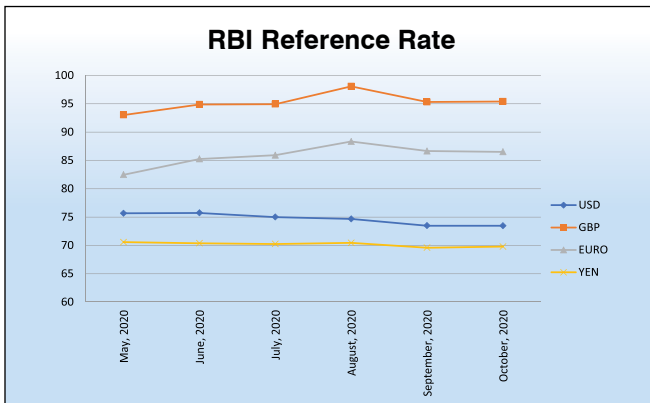
Source: CCIL News Letters October 2020



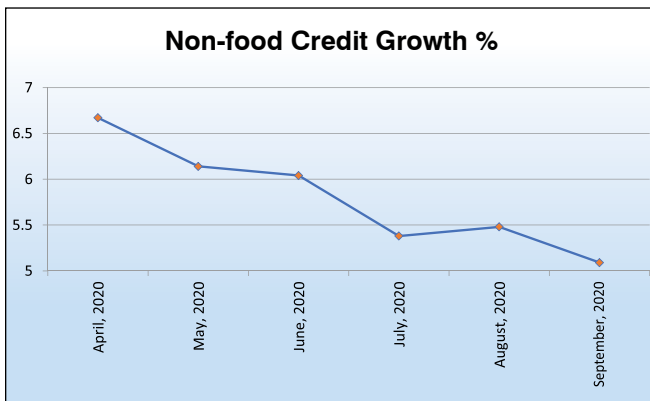
Source: Bombay Stock Exchange



Source: Monthly Review of Economy CCIL, October 2020



Source: FBIL



Source: Monthly Review of Economy, CCIL, October 2020

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