



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

Monetary Policy: Key Highlights (October 7-9, 2024)

The key highlights from Reserve Bank of India's Monetary Policy Committee meeting, held from October 7-9, 2024, are as follows:

- Repo rate remained unchanged at 6.5%.
- Policy stance changed from 'Withdrawal of Accommodation' to 'Neutral'.
- Standing Deposit Facility (SDF) rate remained unchanged at 6.25%.
- Marginal Standing Facility (MSF) and Bank Rate remained unchanged at 6.75%.
- Real GDP growth for Q1:2025-26 projected at 7.3%.
- Consumer Price Index (CPI) for Q1:2025-26 projected at 4.3%.

Key highlights of the Statement on Developmental and Regulatory Policies:

- Scope of Responsible Lending conduct norms to be broadened by including Micro and Small Enterprises (MSEs).
- Reserve Bank of India (RBI) to create a two-part data repository namely, the Reserve Bank – Climate Risk Information System (RB-CRIS). The first part will contain a publicly accessible web-based directory containing various data sources (meteorological, geospatial, etc.). The second part will be a data portal comprising datasets (processed data in standardized formats).
- Limits will be increased to encourage wider adoption Unified Payments Interface (UPI). Per-transaction limit in UPI123Pay is enhanced to Rs. 10,000. Wallet limit in UPI Lite will be enhanced to Rs. 5,000, even as its per-transaction limit will be enhanced to Rs. 1,000.
- RBI to introduce a 'beneficiary account name look-up facility', to enable remitters verify the name of the beneficiary account holder before initiating funds transfer in Real Time Gross Settlement (RTGS) system and National Electronic Funds Transfer (NEFT).

More REs get direct access to RBI's NDS-OM platform

RBI has widened direct access to Negotiated Dealing System-Order Matching (NDS-OM) electronic trading platform to a broader set of Regulated Entities (REs). Accordingly, regional rural banks, local area banks, NBFCs (including Housing Finance Companies), provident funds, pension funds, insurance companies and regulated Market Infrastructure Institutions (MIIs) will now be able to directly execute/report a transaction on/to this platform. These transactions will be settled in their own Subsidiary General Ledger (SGL) account. Foreign Institutional Investors (FIIs) and Corporates will continue to have indirect access to NDS-OM.

Mutual Fund Units come under the ambit of SEBI's Insider Trading Rules

From 1 November, 2024, onwards, insider trading rules have been further tightened by the Securities and Exchanges Board of India (SEBI), to include mutual funds units within the purview of SEBI (Prohibition of Insider Trading) Regulations, 2015. Accordingly, now, Mutual Fund Asset Management Companies (MF AMCs), their trustees, employees and Directors will strictly follow SEBI's insider trading prohibition rules and present a quarterly disclosure of the holdings of designated persons and their immediate relatives. Senior employees at the fund houses and their relatives will not be able to sell their mutual fund holdings if they have privileged information about upcoming issues.

MIIs get a framework from SEBI to help monitor shareholding

Market Infrastructure Institutions (MIIs), including stock exchanges, clearing corporations and depositories, will now follow a framework introduced by SEBI to monitor shareholding limits, public shareholding requirements and the "fit & proper" criteria. In keeping with SEBI's Listing Obligations and Disclosure Requirements (LODR) norms, both listed and unlisted MIIs, will make a quarterly disclosure of their shareholding patterns on their websites. Each MII will appoint a non-associated Designated Depository (DD) to monitor compliance with

shareholding limits. For depositories, the other depository will act as their DD. Stock exchanges will have to ensure that Trading Members (TMs), their associates and agents do not hold more than 49% equity, collectively. Clearing Corporations will have to maintain at least 51% ownership by stock exchanges. However, no exchange will hold more than 15% in multiple CCs. All shareholders with equity of 2% or more, must meet the fit & proper criteria.

Banking Policies

RBI updates norms for Central Counterparties (CCPs)

RBI has mandated that an entity seeking authorization or recognition as a CCP, should have a minimum networth of Rs. 300 crores while submitting its application. RBI's revised guidelines stipulate that every authorized CCP has to submit an audited networth certificate, as at close of financial year from the statutory auditor. This certificate must be submitted within six months of the closure of the financial year. The authorized CCP should be a public company limited by shares and the shares shall be held by people who are users of the authorized CCP.

RBI asks CIs to furnish borrower's information till loan cycle completion or shutdown

RBI has asked Credit Institutions (CIs) to furnish the credit information of borrowers onboarded by them, to the Credit Information Companies (CICs), before their license cancellation, shut down of operations or till the completion of the borrower's loan cycle, whichever is earlier. For ease of operation, CICs will term such entities in their Credit Information Report (CIR), as "License Cancelled Entities".

Banking Developments

RBI to PSPs: Make digital payment accessible for Persons with Disabilities

RBI asked Payment System Participants (PSPs) i.e. banks and authorized non-bank payment system providers to review their payment systems to ensure easier accessibility to persons with disabilities. The PSPs may make the necessary modifications in payment systems and devices, depending on the findings of their review. However, PSPs have to ensure upholding of security aspects while making any modifications. PSPs have been given one month to submit the details of their systems/devices that need modifications, along with a time-bound plan of action for achieving the same, to RBI.

RBI asks ARCs to become members of all CICs to keep track of borrower's data

In order to maintain a track of borrowers' credit history after the transfer of loans by banks/NBFCs to Asset Reconstruction Companies (ARCs), RBI has asked ARCs to become members of all the Credit Information Companies (CICs) and submit the required data to them as per the Uniform Credit Reporting Format. ARCs shall keep updating the received information on a fortnightly basis or at such shorter intervals as mutually agreed upon by the ARC and CIC. Non-updation of repayment information may be avoided by ARCs by centralizing the issue of NOCs and providing information to CICs. ARCs must have a Standard Operating Procedure (SOP) to provide requisite customer information, including identifier information, to CICs. They also need to appoint a nodal officer for dealing with CICs. RBI has asked the ARCs to install the requisite processes to ensure compliance with these guidelines by January 1, 2025.

Regulator Speaks

RBI Governor Mr. Shaktikanta Das sees inflation easing from Q4-FY25; warns of geopolitical and weather risks

Speaking at the Macro Week event organized by the Peterson Institute for International Economics (PIIE) in Washington, RBI Governor Mr. Shaktikanta Das stated that inflation is expected to gradually decrease from Q4-FY25, but escalating geopolitical tensions and unpredictable weather patterns pose significant risks to this outlook. In order to better address the challenges faced by emerging economies in a changing global economic environment, Mr. Das emphasized that institutions like the International Monetary Fund (IMF) and the World

Bank should provide them with greater access to resources and a more significant role in decision-making processes. Expressing the need to consider financial stability a 'global public good', Mr. Das cautioned against the risks posed by shadow banking, fintech and decentralized finance. He further advocated a robust regulatory framework to mitigate potential contagion effects these challenges may bring along. He underlined the vital role of the G20 in fostering unity and preventing further economic divides.

Central banking is a success story in this decade: RBI Governor Mr. Shaktikanta Das

Addressing the RBI@90 High-Level Conference at New Delhi, RBI Governor Mr. Shaktikanta Das averred that the present decade has seen central banking succeeding well, in spite of the difficult trials and trade-offs. However, he also cautioned about being vigilant of some emerging risks to financial stability. These are: First is the divergence in global monetary policies. Some economies practicing monetary easing, some having tightening measures and many in pause mode may lead to volatility in capital flows and exchange rates, thus disrupting financial stability. Second is the rapid expansion of private credit markets with limited regulation, which is risky to financial stability, particularly since they have not been stress-tested in a downturn. Third are higher interest rates, aimed at curtailing inflationary pressures. These have led to an increase in debt servicing costs, financial market volatility and risks to asset quality and may snowball into a global crisis.

RBI Deputy Governor Dr. Patra elucidates on global risk assessment methods

Delivering the Inaugural Address at New York Fed Central Banking Seminar organized by the Federal Reserve Bank, New York, RBI Deputy Governor Dr. Michael Debabrata Patra spoke about the various global risk assessment methods. He underlined three indices for assessing Global Risks: (1) Geopolitical Risk (GPR) Index, which tracks adverse geopolitical events through newspaper articles; (2) the Trade Policy Uncertainty (TPU) Index, which covers the frequency of articles mentioning trade policy uncertainty and heightened trade tensions; and (3) the Global Economic Policy Uncertainty (GEPUI) Index, which examines the impact of policy-related uncertainty on global economic activity. In his speech, Dr. Patra also revealed that RBI's economists have constructed a novel text mining-based policy uncertainty index for India. Drawing from a mix of global indices, this index uses internet search data from Google Trends to construct a measure of policy uncertainty due to both domestic and global events. Further, the RBI economists have also developed an Index of Supply Chain Pressures for India (ISPI) to track supply chain pressures impacting India. Based on the methodology used in the GSCPI developed by the Federal Reserve Bank, the ISPI extracts common factors from 19 domestic and global variables. Other tools being used include the Capital flows at Risk (CaR) approach and the Financial System Stress Indicator (FSSI). While the CaR approach helps gauge the magnitude of expected capital outflows in response to specific shocks, the FSSI monitors the aggregate stress level in the Indian financial system.

Central banks have evolved from being last resort lenders, to ensuring financial stability: RBI Deputy Governor Mr. Swaminathan J.

Delivering an address at the RBI@90 High Level Conference in New Delhi, RBI Deputy Governor Mr. Swaminathan J. stated that a country's financial sector is the cornerstone of a well-functioning economy. It enables efficient allocation of resources, manages risks through various instruments, ensures smooth payments & settlements and performs crucial functions to support investments and drive economic growth. He further said that the role of central banks has significantly evolved over the last few years. They have come far from being lenders of last resort, to now being equipped with regulatory, supervisory and monetary tools to ensure financial stability. In fact, in all countries, Governments, central banks, financial regulators and the industry must work together to ensure timely action being taken to safeguard financial stability.

Inflation Targeting framework of India explained

Delivering an address at the RBI@90 High Level Conference in New Delhi, RBI Deputy Governor Dr. Michael Debabrata Patra spoke about the adoption of Inflation Targeting (IT). He said, IT has immensely strengthened the monetary policy frameworks of Emerging Market Economies (EMEs), as evident in the greater external and financial stability they now enjoy. Three pillars of the framework viz. flexibility; transparency and therefore, accountability; and credibility, have enabled IT to stand the test of time.

Talking on Indian experience, Dr. Patra said, India's Flexible Inflation Targeting (FIT) framework is centered around an inflation target set at 4% with a tolerance band of +/- 2 per cent around it. The 'F' in India's FIT consists of (i) a mandate that accords primacy to price stability while being cognizant of growth; (ii) an inflation target defined in averages rather than as a point; (iii) achievement of the target over a period of time rather than continuously; (iv) a tolerance band to accommodate measurement issues, forecast errors and supply shocks; and (v) failure to achieve the target being defined as three consecutive quarters of deviation of inflation from the tolerance band, rather than every deviation from the target.

Economic Wrap Up

The key highlights of the Monthly Economy Review, September 2024 released by the Department of Economic Affairs are mentioned below:

- Current Account Deficit (CAD) increased to 1.1% of the GDP in Q1 of FY25 (from a surplus in previous quarter) due to expansion in merchandise trade deficit.
- Weak global demand and a fall in international commodity prices led to a moderate growth of merchandise exports in H1 of FY25. However, a strong domestic demand propelled merchandise imports higher.
- The manufacturing Purchasing Managers' Index (PMI) declined from 57.5 in August 2024 to 56.5 in September 2024.
- Index of Industrial Production (IIP) growth remained robust at 4.2% in the first five months of FY25.
- In Q1 of FY25, net FDI inflows rose to a five-quarter high of USD 6.3 billion, as against USD 4.7 billion in Q1 FY24.
- The external debt to GDP ratio was 18.9% of the GDP at the end of March 2024. It went down slightly to 18.8% at the end of June 2024.
- Foreign Portfolio Investment (FPI) inflows grew from USD 20.8 billion during H1 of FY24, to USD 21.6 billion in H1 of FY25.

New Appointments

NAME	DESIGNATION
Mr. Partha Pratim Sengupta	Managing Director & Chief Executive Officer, Bandhan Bank

Forex

Foreign Exchange Reserves			Trends in Foreign Exchange Reserve(US\$ Mn) over 6 - months
Item	As on October 25, 2024		
	₹ Cr.	US\$ Mn.	
	1	2	
1 Total Reserves	5757912	684805	
1.1 Foreign Currency Assets	4992326	593751	
1.2 Gold	576181	68527	
1.3 SDRs	153190	18219	
1.4 Reserve Position in the IMF	36215	4307	

Note: Data as reported on last Friday of respective Month

Source: Reserve Bank of India

Base Rates of Alternative Reference Rates (ARRs) For FCNR (B) Deposits as on October 31, 2024- Applicable for the month of November 2024

Currency	Rates
USD	4.82
GBP	4.95
EUR	3.164
JPY	0.228
CAD	3.8100

Currency	Rates
AUD	4.35
CHF	0.951289
NZD	4.75
SEK	3.144
SGD	3.0666

Currency	Rates
HKD	3.78548
MYR	3.00
DKK	2.7820

Source: www.fbil.org.in

Glossary

Negotiated Dealing System-Order Matching (NDS-OM) system

NDS-OM is an electronic order matching system operated by the RBI to facilitate the issuing and exchange of Government securities (G-secs) and other types of money market instruments. It is an anonymous system that was developed to improve the ease of access for small investors, democratize the ownership of Government debt securities and raise retail participation in G-secs.

Financial Basics

Capital at risk (CaR) approach

It is a useful indicator to gauge the magnitude of expected capital outflows in response to specific shocks. The risks to capital flows are quantified by estimating the size of outflows for a given probability. The predicted capital flows of lower and higher quantiles show the dynamics of CaR over time.

Institute's Training Activities

Training Programmes for the month of November 2024

Programmes	Dates	Location
Programme on Know Your Customer (KYC), Anti Money Laundering (AML) & Combating of Financing of Terrorism (CFT)	11 th -13 th November 2024	Virtual
Programme on Preventive Vigilance & Fraud Management	12 th -14 th November 2024	
Programme on MSME Financing	12 th -14 th November 2024	
Programme on The Future of Banking: Embracing Digital Transformation	13 th -14 th November 2024	
Programme on Business Ethics & Corporate Governance for Banks/Fls	13 th -14 th November 2024	
Programme on Leadership and Development of Soft Skills for Branch Managers	18 th -19 th November 2024	IIBF, Professional Development Centre, South Zone, 94, Jawaharlal Nehru Road Vadapalani, Chennai - 600026
Programme on Internal Audit - RBIA	19 th -20 th November 2024	Virtual
Programme on Balance Sheet Reading & Ratio Analysis	19 th -21 st November 2024	
Post Examination Training for Certificate in Risk in Financial Services	21 st -23 th November 2024	
Programme on IT & Cyber Security	26 th -27 th November 2024	
Programme on Foreign Exchange Operations	26 th -28 th November 2024	

News from the Institute

IIBF is organizing ‘APABI International Conference 2024’

Indian Institute of Banking & Finance (IIBF) is happy to inform that the 21st Asian-Pacific Association of Banking Institutes (APABI) Conference 2024 is being hosted by IIBF on 14th November 2024. The theme of the conference is “Paradigm Shift in Banking – Moving Towards a Resilient, Inclusive and Sustainable Model”. The conference is expected to deliberate on the latest trends in the banking and financial sector by delegates from different countries including India. The conference will be followed by 39th Sir Purshotamdas Memorial Lecture.

IIBF & IGNOU - MoU for Credit Transfer scheme for JAIIB/CAIIB passed candidates

IIBF and IGNOU entered into a Memorandum of Understanding (MoU) for offering the MBA (B&F) programme to the members of IIBF who have passed the JAIIB/CAIIB qualification under the revised syllabi of 2023. As per the MoU, IGNOU shall grant credit transfer/exemption upto a maximum of 5 courses out of the 28 courses of MBA (B&F) programme to the candidates successfully completed the corresponding subject(s) of JAIIB/CAIIB from IIBF, within the maximum duration of the MBA (B&F) programme. For more details, kindly refer to <http://www.ignou.ac.in/ignou/aboutignou/school/soms/credittransfer>

IIBF entered into MoU with FPSB for Certified Financial Planner certification program

The Institute has entered into a strategic Memorandum of Understanding (MoU) with FPSB India. Under this significant partnership, candidates who have successfully attained the CAIIB qualification from IIBF and have a valid three-year experience in the BFSI sector will be exempted from passing the first three modules of Certified Financial Planner (CFP) certification and directly become eligible to enroll in FPSB India’s Integrated Financial Planning module through the Fast Track Pathway. For more details, please visit www.iibf.org.in

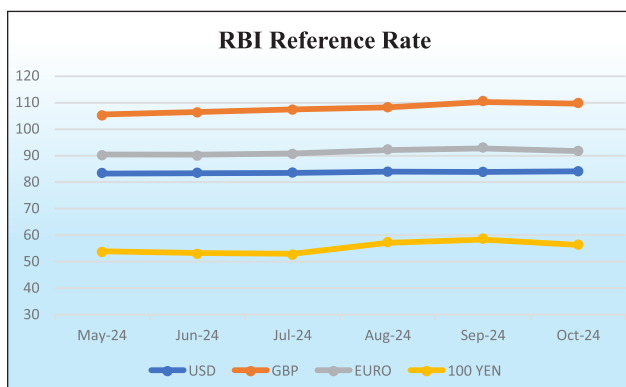
IIBF-IFC joint Certificate course on Climate Risk and Sustainable Finance

The Institute entered into an agreement with International Financial Corporation (IFC) for providing a certification course on Climate Risk and Sustainable Finance. The course is divided into two parts-Basic and Advanced. It is in the form of self-paced e-learning, comprising around 6 hours of learning in each part followed by an assessment. On successful completion, a joint certificate will be issued by IIBF and IFC. For more details, please visit www.iibf.org.in

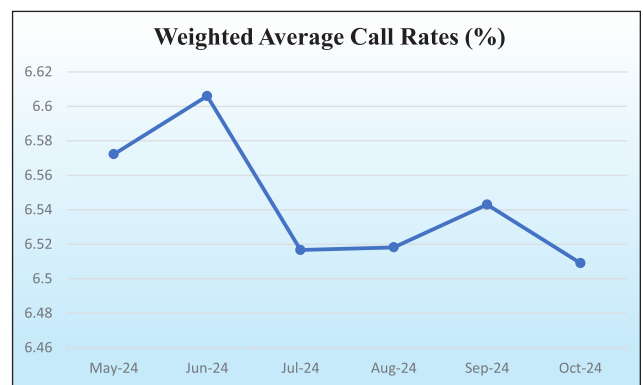
Cut-off date of guidelines/important developments for examinations

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: In respect of the exams to be conducted by the Institute for the period from September 2024 to February 2025, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June 2024 will only be considered for the purpose of inclusion in the question papers.

Market Roundup

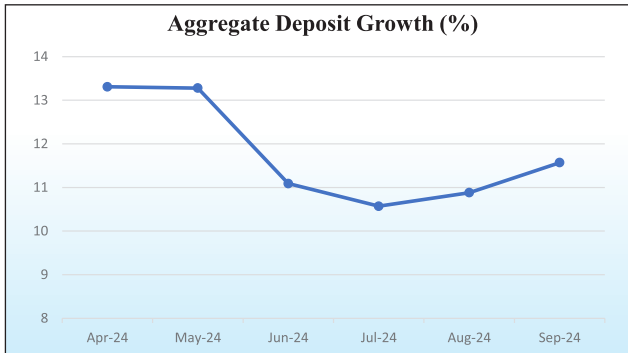


Source: FBIL

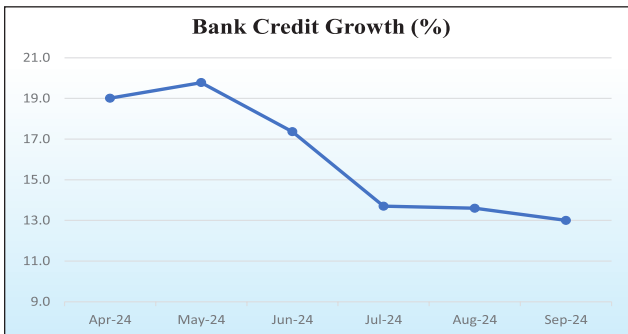


Source: Weekly Newsletter of CCIL

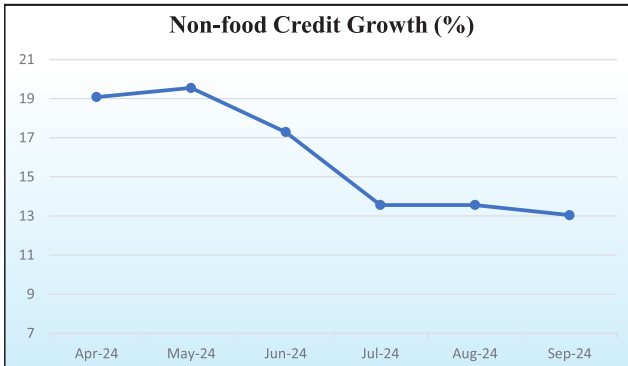
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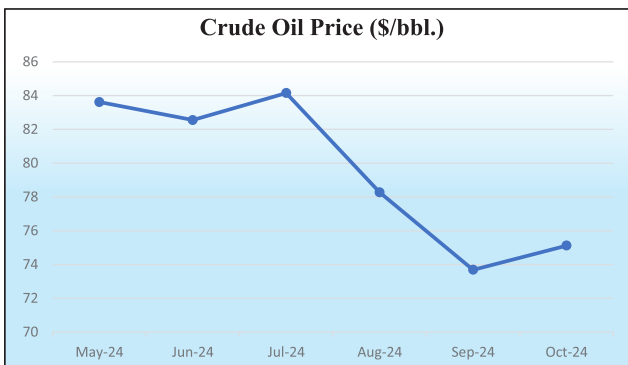
Source: Monthly Review of the Economy, CCIL, October, 2024



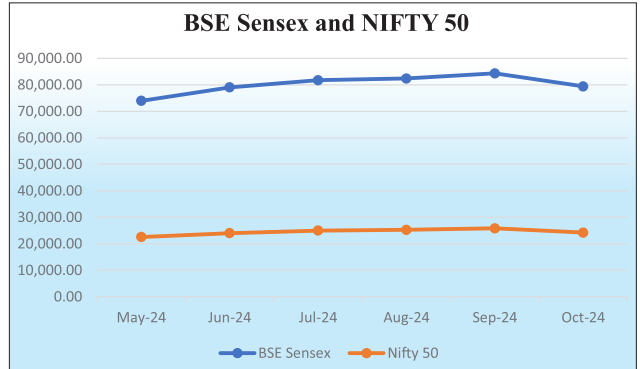
Source: Reserve Bank of India



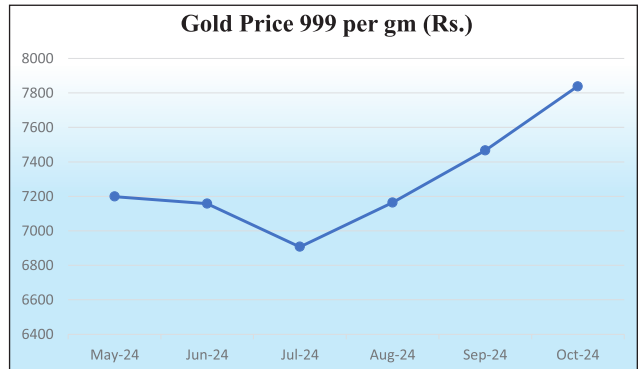
Source: Monthly Review of the Economy, CCIL, October, 2024



Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE



Source: Gold Price India

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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