



# 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

**NBFC-P2P lending platforms get revised norms from the RBI**

The Reserve Bank of India (RBI) has issued revised Master Directions to improve transparency and compliance in Non-Banking Financial Company-Peer to Peer Lending Platforms (NBFC-P2P Lending Platform). As per the revised norms, a P2P platform shall refrain from promoting peer-to-peer lending as an investment product. These platforms shall not cross-sell any insurance product that is akin to credit enhancement or credit guarantee. Loans shall be disbursed only after the lenders and borrowers are matched/mapped as per the board-approved policies.

**Performance in cash market, administrative concerns to be eligibility markers for stocks to enter F&O segment**

To ensure that only high-quality stocks with sufficient market depth can trade in the derivatives segment, Securities and Exchange Board of India (SEBI) has revised the eligibility criteria for stocks to enter this segment.

The stock's performance in the cash market over the previous six months, is a significant marker. As per the revised norms, the stock's Median Quarter Sigma Order Size (MQSOS) over the previous six months, on a rolling basis, must be at least Rs. 75 lakhs (instead of the present Rs. 25 lakhs). The Market Wide Position Limit (MWPL) has been increased from the present Rs. 500 crores to Rs. 1,500 crores. The stock's Average Daily Delivery Value in the cash market has gone up from Rs. 10 crores to Rs. 35 crores, due to a significant increase in the average daily delivery value. SEBI will also examine other aspects like any surveillance concerns, ongoing investigations, or other administrative considerations while allowing a stock into the derivatives segment.

**Category I and II AIFs get revised market borrowing norms from SEBI**

The guidelines for borrowing by Category I and Category II Alternative Investment Funds (AIFs), as well as, maximum permissible limit for extension of tenure by Large Value Fund for Accredited Investors (LVFs) have been revised by SEBI. According to these revisions, Category I and II AIFs will not be allowed to borrow or use leverage for investments. An exception will only be made in limited cases to fulfil temporary funding needs, or, to manage daily operational expenses. However, these exceptions will also be subject to certain limitations. Such borrowing is permitted for a maximum of up to 30 days; it can occur for a maximum of four times in one calendar year; and it must not exceed 10% of the investable funds.

**SEBI allows AT-1 bonds valuation by Mutual Funds on yield-to-call basis**

In keeping with the recommendation of National Financial Reporting Authority (NFRA) regarding valuation methodology, SEBI has decided that valuation of Additional Tier 1 (AT-1) bonds by mutual funds shall be based on Yield-to-Call (YTC) will be consistent with the principles of market-based measurement under Ind AS 113.

This applies only to the valuation of AT-1 bonds under Ind AS 113.

**Banking Policies****BDDR for Co-op banks overhauled to ensure uniformity in treatment**

To ensure uniformity in the treatment given to the Bad and Doubtful Debt Reserve (BDDR), the RBI has issued revised instructions that will come in effect from FY 2024-25. These will be applicable to all Primary (Urban) Co-operative Banks, State Cooperative Banks and Central Co-operative Banks. As per the changes made, all provisions as per Income Recognition, Asset Classification and Provisioning (IRACP) norms, (whether accounted for under the head 'BDDR' or any other head of account), shall be charged as an expense to the P&L account in the respective accounting period. Banks will be allowed to make appropriations of net profits below the line to BDDR, after charging all applicable provisions as per IRACP norms and other extant regulations to the P&L Account.

## Banking Developments

### Foreign investors in IFSC can invest in SGrBs; RBI expands ambit for wider participation

To encourage a wider non-resident participation in Sovereign Green Bonds (SGrBs), RBI has introduced a scheme to permit foreign investors in the International Financial Services Centre (IFSC) to invest in these instruments. Presently, Foreign Portfolio Investors (FPIs) registered with SEBI are permitted to invest in SGrBs under different routes available for investment by FPIs in Government Securities. Investors eligible for this scheme can participate in the primary auctions of securities undertaken by RBI and transact in the secondary market for securities in the IFSC. Eligible IFSC Banking Unit (IBUs) are not permitted to participate in the primary auctions under the scheme, but they can undertake transactions in the secondary market. The KYC verification or due diligence of investors will be done as per rules and procedures prescribed by the International Financial Services Centre Authority (IFSCA).

### Public deposit-taking HFCs get more regulatory rigours by RBI; akin to NBFCs

To be eligible to accept public deposits, Housing Finance Companies (HFCs) will need to obtain minimum investment grade credit rating at least once a year. The ceiling on quantum of public deposits held by the HFCs, has been reduced from 3 times to 1.5 times of net owned fund. Deposits accepted or renewed by HFCs will be repayable after a period of twelve months or more up to a maximum of 60 months (as against the current 120 months). HFCs can repay existing deposits with maturities above 60 months, as per their existing repayment profile. HFCs must maintain liquid assets, on an ongoing basis, up to 15% (against the current 13%) of the public deposits held by them, in a phased manner – 14% by January 1, 2025 and 15% by July 1, 2025. Like NBFCs, HFCs have also been given leeway to hedge the risks arising out of their operations and to issue co-branded credit cards.

### Review of Risk weights of HFCs

In order to address a potential anomaly in the computation of risk-weighted assets for undisbursed amounts of housing loans/other loans, vis-à-vis that for an equivalent disbursed amount of similar exposures, RBI has decided that the risk-weighted assets computed for the former, shall be capped at the risk-weighted asset computed on a notional basis for an equivalent amount of the latter. Furthermore, RBI has also segregated risk weights for standard and other commercial real estate - residential buildings. Risk weight for Commercial Real Estate – Residential Buildings classified as standard would continue to be 75%; whereas, for those not classified as standard, it will be 100%.

## Regulator Speaks

### RBI Governor Mr. Shaktikanta Das elucidates five strategies to make India an economic superpower

Delivering an address at the Global Fintech Fest (GFF) 2024, RBI Governor Mr. Shaktikanta Das outlined five strategic priorities that are key for transforming India's financial landscape. These include:

**Priority 1:** Digital Financial Inclusion

**Priority 2:** Digital Public Infrastructure (DPI)

**Priority 3:** Consumer Protection and Cyber Security

**Priority 4:** Sustainable Finance, and

**Priority 5:** Global Integration and Cooperation.

Mr. Das cautioned about adopting artificial intelligence carefully and in a calibrated manner, understanding both, the potential and risks that it brings along. Emphasising on the need for more innovation to boost the country's financial infrastructure, he highlighted the Internet of Things (IoT) to be the next frontier of opportunity for the financial sector. Focussing on the essential components of a robust and resilient financial system, the Governor's vision for the future comprised of leveraging technology, ensuring security, and encouraging innovation to make India an economic powerhouse.

**Unified Lending Interface in pilot stage: RBI Governor Mr. Shaktikanta Das**

Delivering the keynote address at the 'Global Conference on Digital Public Infrastructure and Emerging Technologies', a part of RBI@90 initiative, RBI Governor Mr. Shaktikanta Das revealed that the apex bank's new platform called Unified Lending Interface (ULI) is now at the pilot stage and will soon be launched all over the country. This platform is aimed to provide frictionless credit via simplified multiple technical integrations and reducing the time taken for appraisal, especially for smaller borrowers in rural areas.

Speaking on the core theme of Digital Public Infrastructure (DPI) Mr. Das averred that the new trinity of JAM-UPI-ULI will be revolutionary step forward in India's digital infrastructure journey. He added that UPI has now emerged as a robust cost-effective and portable retail payment system catching global attention. It has the potential to evolve into a cheaper and quicker alternative to the available channels of cross-border payments. All this hints at the scope of India to become a global leader in the digital portrait.

**RBI Deputy Governor Mr. Michael Debabrata Patra highlights the challenges associated with digital financial innovations**

Speaking at the International Association of Deposit Insurers-Asia Pacific Regional Committee (IADI-APRC) International Conference, RBI Deputy Governor Mr. Michael Debabrata Patra stated that digitalisation of financial services has helped deposit insurers to fulfil their mandate in more efficient and effective ways, including modernisation in reimbursement, supervision, resolution and in communication.

Digital innovations in currencies and payment systems merit special attention as both have implications for deposit insurance. The Deputy Governor cautioned that Central Bank Digital Currencies (CBDC) can be used as "safe haven", thus, making bank deposits, particularly uninsured deposits more prone to sudden withdrawal during crisis. He also spoke about the growing adoption and utilisation of blockchains and distributed ledger technology, that have given traction to tokenised deposits or digital representations of traditional bank deposits hosted on a secure blockchain. Tokenisation brings along regulatory and financial stability issues. These include the potential to amplify bank runs in times of stress; the legal architecture required to ensure that tokenised deposits are treated as traditional deposits for various purposes.

**MSME sector needs innovative solutions, customised services to compete globally: RBI Deputy Governor Mr. Swaminathan J**

Speaking at the Annual Day of the Foreign Exchange Dealers' Association of India (FEDAI), RBI Deputy Governor Mr. Swaminathan J elaborated on the importance of and challenges faced by MSMEs. Lauding MSMEs for being the backbone of our economy, apart from being the engines of growth, innovation and employment, the Deputy Governor stated that simply offering credit to MSMEs is not enough. The financial sector needs to provide innovative solutions, sensitivity and a forward-looking approach to help MSME enterprises truly thrive and scale up. Such wholesome support will empower the MSME sector to compete globally, drive exports and contribute to the nation's goal of becoming a developed economy by 2047. Elucidating on the RBI's efforts to promote innovation in MSME financing, Mr. Swaminathan J revealed that the third cohort of the RBI Regulatory Sandbox was dedicated for MSME lending, where five ideas were found viable.

**RBI Deputy Governor Mr. M Rajeshwar Rao advocates periodical revision in deposit insurance coverage limit**

Delivering his valedictory address at the International Association of Deposit Insurers - Asia Pacific Regional Committee (IADI-APRC) International Conference, RBI Deputy Governor Mr. M Rajeshwar Rao averred that a periodical upward revision of the deposit insurance coverage limit may be warranted, considering multiple factors *viz.* growth in the value of bank deposits, economic growth rate, inflation and increase in income levels. With digital products becoming more pervasive, coverage of such digital deposit-like products should also be mulled over as an option for the Deposit Insurer. Mr. Rao further spoke about the rapid growth of climate change related financial risks. On this backdrop, assessing the impact of climate change on risks and framing a comprehensive policy to tackle such risks may also be needed more than ever before. The Deputy Governor shone light on the need for making a system that gives depositors prompt access to their insured deposits when a bank is liquidated. During such a crisis, timely settlement of claims may become challenging due to delay in submission of the list of eligible depositors, non-availability of complete information with the bank and/or lack of alternate bank accounts of these depositors (especially in case of smaller co-operative banks).

## New Appointments

NAME	DESIGNATION
Shri. Challa Sreenivasulu Setty	Chairman, State Bank of India

## Economic Wrap Up

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

- Retail inflation decreased to 3.5% in July 2024, the lowest since September 2019, driven by moderation in food inflation.
- The Purchasing Managers' Index (PMI) Manufacturing stood at 58.1 in July 2024.
- PMI services remained in an expansionary zone at 60.3 in July 2024, driven by expansion in international sales, an increase in new order uptakes and a rise in new export orders.
- The Index of Industrial Production (IIP) registered a YoY growth of 5.2% in Q1 of FY25, compared to 4.7% in Q1 of the previous year, with the most robust growth seen in the production of primary goods, intermediate goods and consumer durables.
- Capital expenditure is budgeted to increase by 17.1% to ₹11.1 lakh crore.
- India's services exports grew by 9.9% in the first four months of FY25 (April 2024 to July 2024).
- Foreign Direct Investment (FDI) flows picked up in FY25 as net FDI inflows increased by 42.7% during the Q1 of FY25.
- The total gross GST revenue rose by 10.3% year-on-year (YoY), bringing the total for FY24 (April to July) to ₹7.4 lakh crore.

## Forex

Foreign Exchange Reserves			Trends in Forex Reserve(US\$ Mn) last 6 months
Item	As on August 30, 2024		
	₹ Cr.	US\$ Mn.	
	1	2	
<b>1 Total Reserves</b>	5736861	683987	
<b>1.1 Foreign Currency Assets</b>	5024359	599037	
<b>1.2 Gold</b>	518835	61859	
<b>1.3 SDRs</b>	154901	18468	
<b>1.4 Reserve Position in the IMF</b>	38766	4622	

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 August 30, 2024 - applicable for the month of September 2024**

Currency	Rates
USD	5.35
GBP	4.95
EUR	3.666
JPY	0.227
CAD	4.5300

Currency	Rates
AUD	4.35
CHF	1.209164
NZD	5.25
SEK	3.390
SGD	3.3159

Currency	Rates
HKD	2.92923
MYR	3.00
DKK	3.2650

Source: [www.fbil.org.in](http://www.fbil.org.in)

## Glossary

### Unified Lending Interface

It is a digital platform launched by RBI that provides customer's financial and non-financial data at one place with the objective of providing frictionless tailored credit. The ULI architecture is designed for a 'plug and play' approach to ensure digital access to information from diverse sources. This may speed up the credit appraisal process.

## Financial Basics

### Finternet

The term 'Finternet' refers to multiple financial ecosystems interconnected with each other. It is an emerging approach to global finance which is defined by the three U's i.e. User centre, Unified and Universal – that is keeping the user at the centre, it has to be universal and it has to cut through asset classes of all types.

## Institute's Training Activities

### Training Programmes for the month of September 2024

Programmes	Dates	Location
Programme on Preventive Vigilance & Fraud Management	10 <sup>th</sup> - 12 <sup>th</sup> September, 2024	Virtual
Program for Internal Auditors of Banks & FIs	11 <sup>th</sup> - 12 <sup>th</sup> September, 2024	
Programme on Balance Sheet Reading & Ratio Analysis	17 <sup>th</sup> - 19 <sup>th</sup> September, 2024	
Programme for Legal & Recovery Officers of Public & Private Sector Banks & FIs	18 <sup>th</sup> - 21 <sup>st</sup> September, 2024	
Programme on Leadership & Development of Soft Skills for Branch Managers	19 <sup>th</sup> - 21 <sup>st</sup> September, 2024	Leadership Development Center, Kurla (West), Mumbai
Programme on Effective Marketing for Retail Banking	20 <sup>th</sup> - 21 <sup>st</sup> September, 2024	IIBF, Professional Development Centre, South Zone, Chennai
Programme on IT Security and Prevention of Cyber Crimes	23 <sup>rd</sup> - 24 <sup>th</sup> September, 2024	Virtual
Programme on MSME Credit Appraisal & Financing	23 <sup>rd</sup> - 25 <sup>th</sup> September, 2024	
Programme on Foreign exchange operations	24 <sup>th</sup> - 26 <sup>th</sup> September, 2024	
Programme on Internal Audit Officers of Banks	26 <sup>th</sup> - 27 <sup>th</sup> September, 2024	



## News from the Institute

### IIBF's Leaders Speak Series

Mr. R. A. Sankara Narayanan, Independent Director, South Indian Bank & Former MD & CEO, Canara Bank & Vijaya Bank delivered an address on “The Evolution of Banking in India: A look at its transformation over the years” under IIBF’s leaders speak series organised on August 25, 2024.

### 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

IIBF entered into MoU with FPSB. 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 CFP certification and directly become eligible to enrol in FPSB India’s Integrated Financial Planning module through the Fast Track Pathway. For more details, visit [www.iibf.org.in](http://www.iibf.org.in)

### Bank Quest Theme for upcoming issue

The theme for the upcoming issue of Bank Quest for the quarter July– September, 2024 is “Emerging trends in International Trade and Banking”.

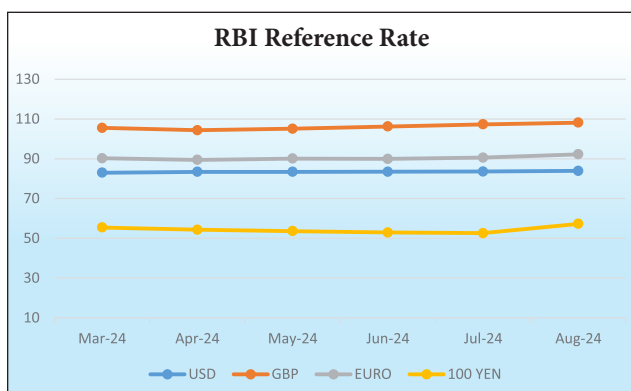
### Cut-off date of guidelines/important developments for examinations

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 30<sup>th</sup> June 2024 will only be considered for the purpose of inclusion in the question papers.

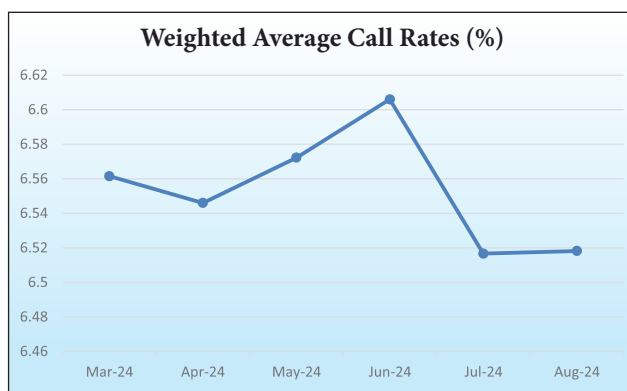
## Green Initiative

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

## Market Roundup

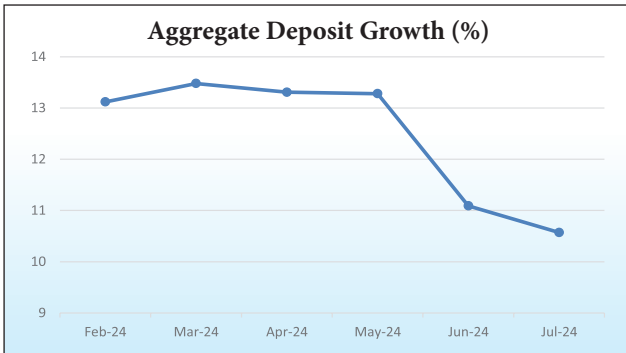


Source: FBIL

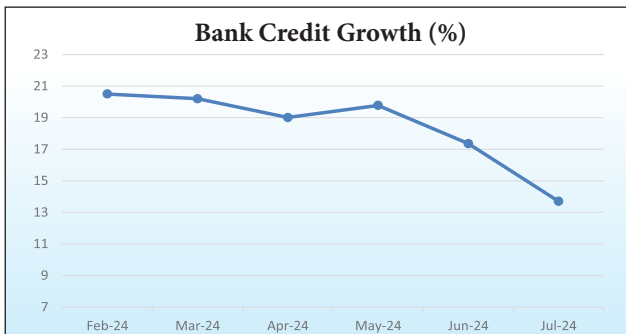


Source: Weekly Newsletter of CCIL

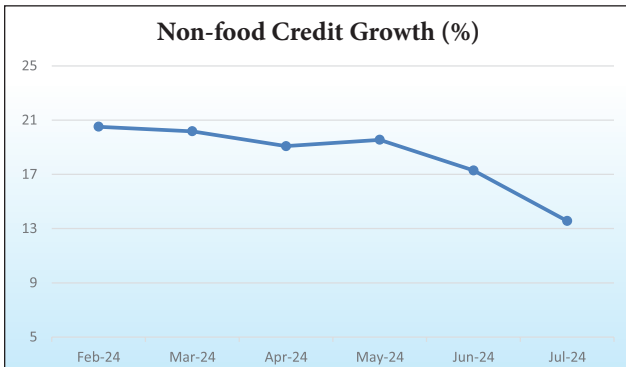
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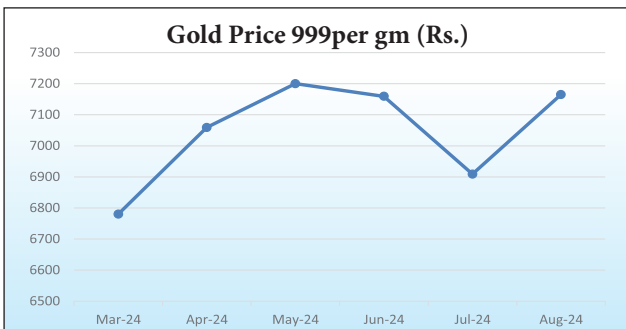
Source: Monthly Review of Economy, CCIL, August 2024



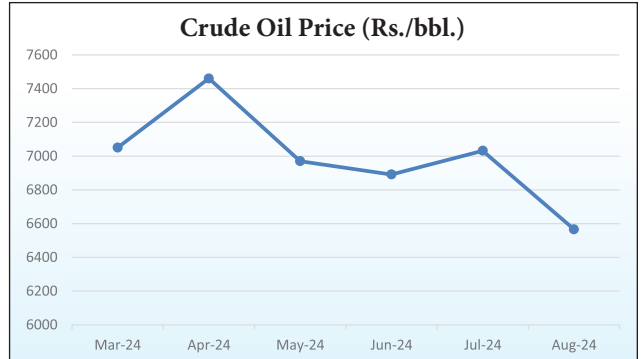
Source: Reserve Bank of India



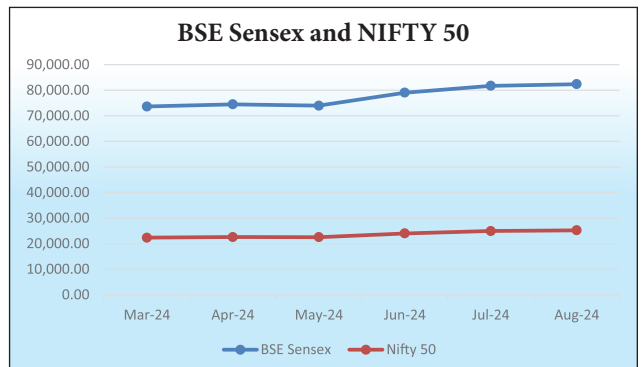
Source: Monthly Review of Economy, CCIL, August 2024



Source: Gold Price India



Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE

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