



Committed to professional excellence

# IIBF VISION

Volume No. : 10

Issue No. : 6

January 2018

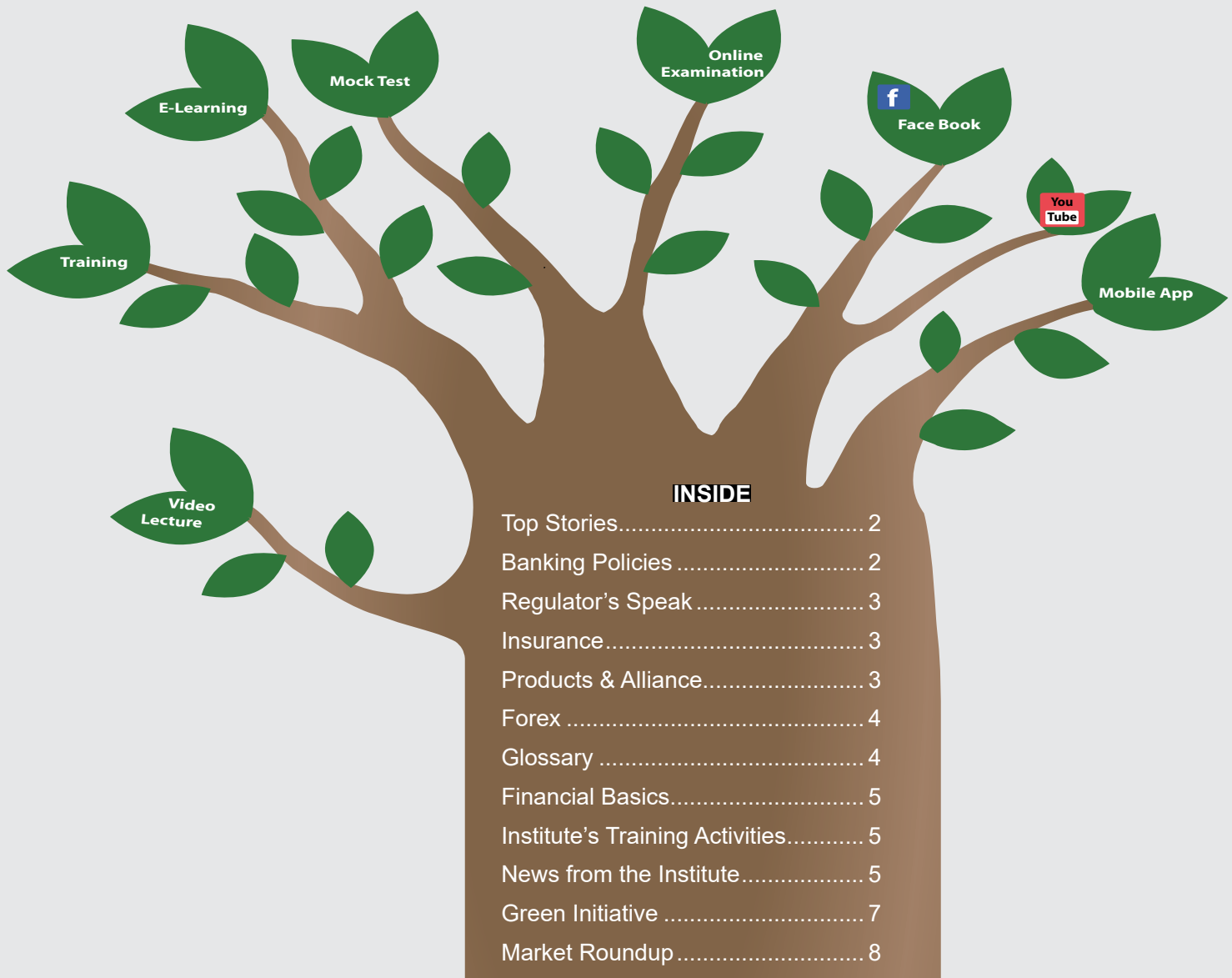
No. of Pages - 8

## 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.



"The information / news items contained in this publication have appeared in various external sources / media for public use or consumption and are now meant only for members and subscribers. The views expressed and / or events narrated/ stated in the said information / news items are as perceived by the respective sources. IIBF neither holds nor assumes any responsibility for the correctness or adequacy or otherwise of the news items / events or any information whatsoever."

## TOP STORIES

### **RBI's eighth bi-monthly monetary policy statement, 2017-18**

The eighth meeting of the monetary policy committee was held on December 5 and 6, 2017 at RBI, Mumbai. The key highlights are:

- Repo rate remains unchanged at 6%, reverse repo rate at 5.75%, bank rate at 6.25%
- Inflation forecast raised for the remaining financial year to 4.3-4.7%
- Linking of bank accounts with Aadhaar to be completed by the end of the financial year
- To rationalise charges on debit card transactions to give a fillip to digital payments

### **IBBI notifies norms for grievance handling**

The Insolvency and Bankruptcy Board of India (IBBI) that implements the Insolvency and Bankruptcy Code (IBC), has notified revised regulations for grievance handling procedure. Accordingly, the filing fee will be refunded to the stakeholder if the complaint is found to be not “frivolous or malicious”. The regulations will be applicable to all stakeholders, including creditors, debtors and service providers. Depending on the complaint, the IBBI can order an investigation or issue a show-cause notice to the entities concerned.

### **IBBI issues guidelines for tech standards of information utilities**

The IBBI has issued guidelines for technical standards to be followed by information utilities, including for consent framework in sharing details with third parties. Information utilities store financial information to help establish defaults and verify claims expeditiously, in order to complete transactions under the IBC in a time-bound manner. Further, guidelines for submission, identification and verification of information; data integrity; risk management framework; preservation and purging of information have also been issued.

### **Agency banks must be prompt with Govt. instructions: RBI**

RBI has asked agency banks i.e. banking entities engaged in government business, to promptly execute instructions received from central and state governments, without waiting for RBI directives. The governments are concerned about implementing programmes in an efficient and time-bound manner. Hence, they are looking for prompt response and cooperation from the banks to ensure easy execution. Banks should directly approach governments concerned for queries related to such instructions. They can contact RBI only for queries related to reporting to RBI.

## Banking Policies

### **RBI raises FPI limit in G-Secs, SDLs**

Reserve Bank of India (RBI) has raised the limits for investment by foreign portfolio investors (FPIs) for the January-March 2018 quarter by ₹6,400 crore in Central Government Securities (G-Secs) and ₹5,800 crore in State Development Loans (SDLs). W.e.f. January 1, 2018, the revised investment limit for FPIs in G-Secs will be ₹2,56,400 crore.

## Regulator's Speak

### Forex reserves don't work without capital controls

Dr. Viral Acharya, Deputy Governor, RBI said that foreign exchange (forex) reserves do not work in the absence of macro-prudential measures or some form of capital controls. Add to that, the depletion of reserves by short-term external debt can worsen the situation. Macro-prudential regulations have made reserves effective. Foreign portfolio flows in, both, local and foreign debt should be taxed. The net short-term debt claims to foreign investors should include un-hedged foreign exposures and all reversible "hot money" flows to arrive at the correct picture of liabilities.

### PSB recapitalization will ensure continual fund-flow to productive sectors

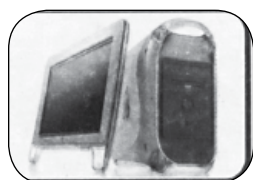
The Insolvency and Bankruptcy Code (IBC) has conferred on RBI the authority to direct banks to initiate resolution processes. RBI Governor, Dr. Urjit Patel, hopes that banks will seize this opportunity to overcome the debilitating problem of corporate loan delinquency to get back into the mainstream of financial intermediation. The government has also proposed to take steps to improve the corporate governance of public sector banks (PSBs) by strengthening boards, bringing objectivity into management appointments, and decentralizing decisions to the professional board.



## Insurance

### IRDAI guidelines for insurance firms to set up offices in financial service SEZs

The Insurance Regulatory and Development Authority of India (IRDAI) has cleared the way for setting up of IFSC (International Financial Services Centre) Insurance Offices (IIOs). With this, it has put in place the process of registration and operation of insurers and re-insurers in IFSC Special Economic Zones, in alignment with the objectives of IFSC-SEZ. As per the guidelines, no person or entity shall commence or undertake insurance or reinsurance business from an IFSC without obtaining prior registration as an IIO from the Authority. The registered IIO may be permitted to transact direct insurance business and reinsurance business within the IFSC, from other SEZs and from outside India. The applicant should demonstrate a minimum assigned capital of ₹10 crores.



## Products & Alliances

Organization	Organization tied up with	Purpose
Union Bank of India	Receivable Exchange of India Ltd. (RXIL)	For discounting invoice of MSMEs on digital platform

Fino Payments Bank	Rajasthan Government	As its corporate business correspondent to give banking services to people in the state.
SohanLal Commodity Management (SLCM)	HDFC Bank and IndusInd Bank	To help improve farmers' access to post-harvest credits at affordable interest rates. Also, to provide easy access to scientific storage facilities for a fair price discovery of their produce in the market.

## Forex

Foreign Exchange Reserves		
Item	As on December 29, 2017	
	₹ Bn.	US\$ Mn.
	1	2
1 Total Reserves	26,176.9	4,09,366.6
1.1 Foreign Currency Assets	24,615.4	3,85,103.9
1.2 Gold	1,334.8	20,716.0
1.3 SDRs	96.6	1,511.5
1.4 Reserve Position in the IMF	130.1	2,035.2

Source: Reserve Bank of India (RBI)

Benchmark Rates for FCNR(B) Deposits applicable for January 2018					
Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	1.89300	2.07500	2.17300	2.19840	2.23560
GBP	0.63290	0.7951	0.8884	0.9671	1.0325
EUR	-0.25300	-0.146	0.030	0.174	0.316
JPY	0.04130	0.063	0.080	0.088	0.110
CAD	1.94000	2.066	2.165	2.222	2.256
AUD	1.89000	2.060	2.208	2.480	2.568
CHF	-0.59500	-0.486	-0.327	-0.235	-0.139
DKK	-0.13740	-0.0175	0.1500	0.3206	0.4694
NZD	2.03500	2.219	2.408	2.570	2.708
SEK	-0.34300	-0.140	0.091	0.308	0.508
SGD	1.35500	1.535	1.658	1.759	1.850
HKD	1.60000	1.860	2.000	2.090	2.170
MYR	3.68000	3.730	3.760	3.820	3.850

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

## Glossary

### Financial Stability Report (FSR)

The FSR reflects the overall assessment on the stability of India's financial system and its resilience to risks emanating from global and domestic factors. Besides, the Report also discusses issues relating to development and regulation of the financial sector.

## Financial Basics

### Yield to Maturity (YTM)

The Yield to maturity (YTM) is the yield promised to the bondholder on the assumption that the bond will be held to maturity and coupon payments will be reinvested at the YTM. It is a measure of the return of the bond.

## Institute's Training Activities

### Training Programme for the month of January/February 2018

Name of the Programme	Dates	Location
Post Examination Training For Certified Credit Officers Course	18 <sup>th</sup> to 20 <sup>th</sup> January, 2018	Mumbai
Post Examination Classroom Learning For Certified Credit Officer	22 <sup>nd</sup> to 24 <sup>th</sup> January, 2018	Hyderabad
Post Examination Training for Certified Credit Officers – Virtual Training mode	13 <sup>th</sup> to 15 <sup>th</sup> January, 2018	All over the country through e-mode
Programme On Digital Banking	29 <sup>th</sup> to 31 <sup>st</sup> January 2018	Mumbai
Programme on AML & KYC	29 <sup>th</sup> to 31 <sup>st</sup> January 2018	Mumbai
7 <sup>th</sup> International Training Programme for Trainers of Banks, Banking Institutes and Financial Institutions	5 <sup>th</sup> to 10 <sup>th</sup> February 2018	Mumbai

## News from the Institute

### Capacity Building in banks

RBI vide its notification dated 11<sup>th</sup> August 2016 has mandated that each bank should have a Board approved policy to deploy staff with adequate qualification/certification in key areas of operations. To begin with, they have identified following areas:

1. **Treasury Management:** Dealers, mid-office operations.
2. **Risk Management:** credit risk, market risk, operational risk, enterprise-wide risk, information security, liquidity risk.
3. **Accounting** – Preparation of financial results, audit function
4. **Credit Management:** credit appraisal, rating, monitoring, credit administration.

Subsequently on the direction of RBI, IBA had constituted an Expert Group for identifying suitable institutions and courses that can provide the necessary certifications. IIBF is the only institution offering certification in the three out of the four areas.

Further, RBI vide its letter dated 31<sup>st</sup> May 2017, addressed to IBA and copy endorsed to IIBF has stated that 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.

The courses offered by the Institute in the areas of Treasury Operations, Risk Management and Credit Management are blended in nature with an online examination followed by training for such of those candidates who have successfully cleared the online examination.

In order to facilitate candidates to get certified in the area of credit management, the Institute will be holding the exam on credit management at 74 centres as per schedule indicated below:

EXAMINATION	EXAMINATION DATE	OPEN PERIOD OF REGISTRATION
Certified Credit Officer	24-02-2018	12-01-2018 to 30-01-2018
	24-03-2018	09-02-2018 to 27-02-2018
Certified Treasury Dealer	24-02-2018	12-01-2018 to 30-01-2018
	24-03-2018	09-02-2018 to 27-02-2018
Risk in Financial Services	24-02-2018	12-01-2018 to 30-01-2018
	24-03-2018	09-02-2018 to 27-02-2018

Please visit the website [www.iibf.org.in](http://www.iibf.org.in) for examination registration and more details.

### “Banking Chanakya” Quiz

‘Banking Chanakya’, a Quiz contest, was organised by the Institute for members employed in any bank, located anywhere in India. The first preliminary online round saw good participation from bankers all over the nation. The second round consisting of on-ground Zonal level events was conducted in Delhi, Kolkata, Chennai and Mumbai. The third part of the quiz, was the National Finale where the winning teams from each zone participated. The grand finale was held in Mumbai on January 12, 2018 and telecasted on a National TV Channel.

### 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.

### MoU with Small Industries Development Bank of India (SIDBI)

The Institute entered into a partnership with SIDBI on 11<sup>th</sup> July 2017 to take forward the Certified Credit Counsellor (CCC) program for MSMEs. Eligible candidates, interested in becoming CCCs, have to pass a certificate examination on MSMEs conducted by IIBF. On successful completion of the examination and after due diligence conducted by SIDBI, a certificate shall be issued to the candidate as Certified Credit Counsellor for MSMEs.

### New Courseware on NBFCs

The Institute launched its new courseware on Non-Banking Financial Companies (NBFCs) on 29<sup>th</sup> April 2017. The book was released by industry experts from the banking fraternity. The first exam on the subject was held in January 2018.

### 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. The first Virtual Classroom training for Certified Credit Officers was held successfully from Dec 9<sup>th</sup> to 11<sup>th</sup> and 53 candidates enrolled for the programme. In the month of January 2018, it is proposed to hold two more such trainings with enrolment of approximately 90 candidates in each batch.

### Examination at Institute’s own Test Centres at Mumbai & Kolkata

The Institute presently conducts examination on the 2<sup>nd</sup> and 4<sup>th</sup> 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. 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 theme for the January-March 2018 “Bank Quest” issue is “Cyber Security in Banks”. Members are requested to contribute articles for publication in the quarterly journal of the Institute.

### 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 2017 to July 2017, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31<sup>st</sup> December, 2016 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 2017 to January 2018, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30<sup>th</sup> June, 2017 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.

### STATEMENT ABOUT OWNERSHIP AND OTHER PARTICULARS OF IIBF VISION, THE NEWSLETTER OF INDIAN INSTITUTE OF BANKING & FINANCE

- |    |                                    |   |
|----|------------------------------------|---|
| 1. | Place of Publication               | : Mumbai  |
| 2. | Periodicity of Publication         | : Monthly   |
| 3. | Publisher’s Name                   | : Dr. Jibendu Narayan Misra   |
|    | Nationality                        | : Indian  |
|    | Address                            | : Indian Institute of Banking & Finance<br>Kohinoor City, Commercial-II, Tower-1, Kirool Road, Kurla (W), Mumbai-400 070. |
| 4. | Editor’s Name                      | : Dr. Jibendu Narayan Misra   |
|    | Nationality                        | : Indian  |
|    | Address                            | : Indian Institute of Banking & Finance<br>Kohinoor City, Commercial-II, Tower-1, Kirool Road, Kurla (W), Mumbai-400 070. |
| 5. | Name of Printing Press             | : Onlooker Press, 16 Sasoon Dock, Colaba Mumbai - 400 005.  |
| 6. | The name and Address of the Owners | : Indian Institute of Banking & Finance<br>Kohinoor City, Commercial-II, Tower-1, Kirool Road, Kurla (W), Mumbai-400 070. |

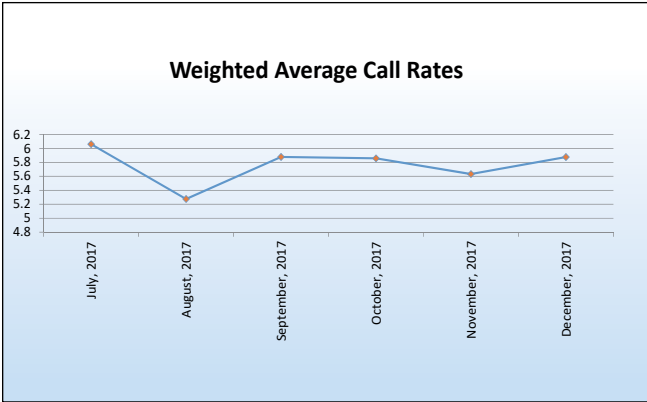
I, Dr. J. N. Misra, hereby declare that the particulars given above are true to the best of my knowledge and belief.

31.03.2017

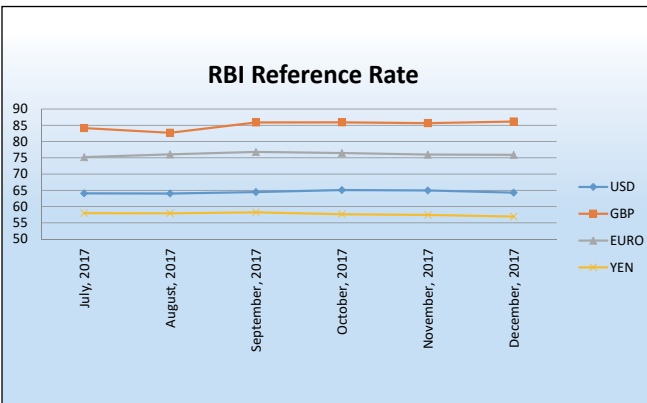
Dr. J. N. Misra  
Signature of Publisher

• Registered with Registrar of Newspapers Under RNI No. : 69228/1998

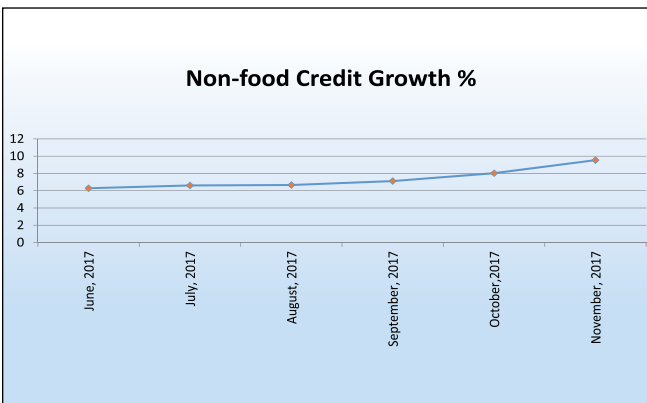
# Market Roundup



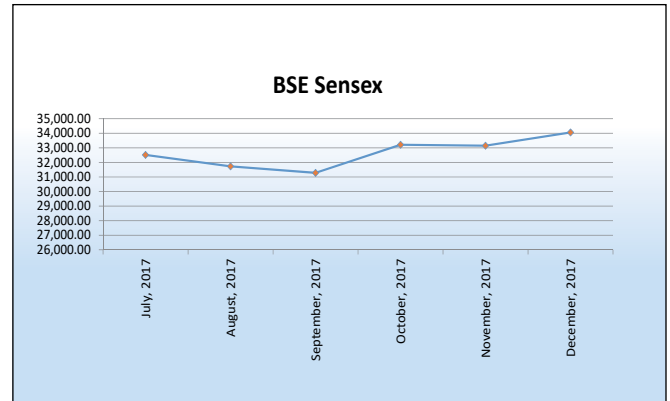
Source: CCIL Newsletter, December 2017



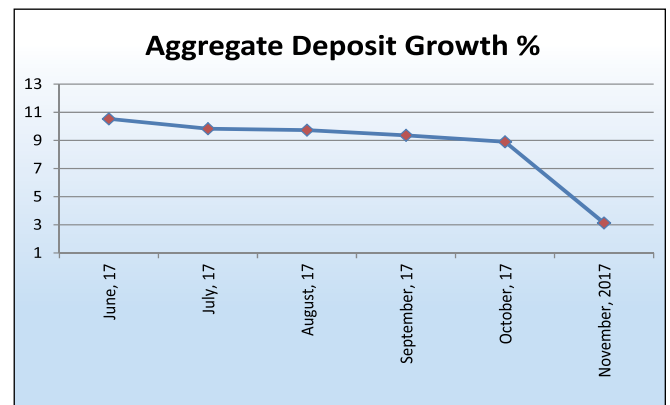
Source: Reserve Bank of India (RBI)



Source: Monthly Review of Economy CCIL, December 2017



Source: Bombay Stock Exchange (BSE)



Source: Monthly Review of Economy CCIL, December 2017

**Printed by** Dr. J. N. Misra, **Published by** Dr. J. N. Misra on behalf of Indian Institute of Banking & Finance, and **printed at** Onlooker Press 16, Sasoon Dock, Colaba, Mumbai - 400 005 and **published from** Indian Institute of Banking & Finance, Kohinoor City, Commercial-II, Tower-I, 2nd Floor, Kiro Road, Kurla (W), Mumbai - 400 070.  
**Editor :** Dr. J. N. Misra

**INDIAN INSTITUTE OF BANKING & FINANCE**  
 Kohinoor City, Commercial-II, Tower-I, 2nd Floor, Kiro Road, Kurla (W), Mumbai - 400 070.  
 Tel. : 91-22-2503 9604 / 9746/9907 • Fax : 91-22-2503 7332  
 E-mail : admin@iibf.org.in  
 Website : www.iibf.org.in