



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

### RBI forms task force on offshore Rupee Markets

The Reserve Bank of India (RBI) has announced an eight-member task force headed by its former Deputy Governor Ms. Usha Thorat to examine issues related to offshore rupee markets, and, recommend policy measures to ensure stability of the external value of the domestic currency. The panel will assess the causes behind the development of the offshore rupee market and study its effects on the rupee exchange rate and market liquidity in the domestic market. RBI may also recommend measures to address any concerns arising out of offshore rupee trading, besides proposing measures to generate incentives for non-residents to access the domestic market. The panel will also examine how international financial services centres can help in addressing the concerns. The panel will submit its report by the end of June 2019. RBI has been guided by the objective of developing deep and liquid on-shore financial markets that act as a price setter of the rupee globally.

### RBI issues guidelines to prevent market abuse

RBI has issued guidelines to prevent misuse of price-sensitive information by participants in markets for financial instruments. Accordingly, no market participant will carry out a transaction, or initiate any action with the sole or dominant intention of influencing a benchmark rate or a reference rate. Participants indulging in any such activity are liable to be denied access to markets, in one or more instruments for a period, that may not exceed one month at a time. The guidelines have become effective from March 15, 2019. These directions would exclude transactions executed through the recognized stock exchanges. They will also not apply to banks and the central government in furtherance of monetary policy, fiscal policy or other public policy objectives.

### SEBI, IBBI sign MoU for better IBC implementation

The Insolvency and Bankruptcy Board of India (IBBI) has signed a Memorandum of Understanding (MoU) with SEBI, for an effective implementation of the Insolvency and Bankruptcy Code, 2016. They have agreed to assist and co-operate with each other, subject to limitations imposed by the applicable laws. The MoU provides for sharing information and resources between SEBI and IBBI. There will be periodic meetings to discuss matters of mutual interest, including regulatory requirements that impact each party's responsibilities, enforcement cases, research and data analysis etc. Another salient feature of the pact is that there will be cross-training of staff in order to enhance each party's understanding of the other's mission for effective utilization of collective resources. This will be besides initiatives for capacity building of insolvency professionals and financial creditors.

## Banking Policies

### RBI allows importers to raise \$150 million trade credit

The RBI has amended Trade Credit Policy to allow oil/gas refining and marketing, airline and shipping companies to raise **Trade Credit (TC)** of up to \$150 million or equivalent per import transaction under the automatic route. Others can raise TCs up to \$50 million or equivalent per import transaction. The amended policy has been issued to banks authorized to deal in foreign exchange (Category-I Authorized Dealer Banks or ADs). The all-in-cost (including rate of interest, other fees, expenses, charges, guarantee fees in foreign currency or rupee) ceiling p.a. has been pegged at the benchmark rate plus 250 bps spread. The period of TC, reckoned from the date of shipment, will be up to three years for import of capital goods; and, up to one year or the operating cycle, whichever is less, for non-capital goods. However, for shipyards/shipbuilders, the period for non-capital goods can go up to three years. TCs may be secured with bank guarantees given by ADs on behalf of the importer, in favor of the overseas lender of TC, not exceeding the amount of TC. The period of

such guarantee cannot be beyond the maximum permissible period for TC.

### **RBI raises FPI investment limit in G-Secs for FY20**

RBI has upped the investment limit for FY2019-20 for FPIs in Central Government securities (G-Secs) to 6% of outstanding stock of securities from 5.5% in FY2018-19. The allocation of increase in G-Sec limit over the two sub-categories – general and long-term - has been set at 50:50 for the year 2019-20. The entire increase in limits for SDLs (State Development Loans) has been added to the general sub-category of SDLs. The coupon reinvestment arrangement for G-Secs will be extended to SDLs too.

## **Banking Developments**

### **RBI allows WLATM operators to source cash, generate income from ads**

In a bid to enhance the viability of white-label ATMs (WLATMs), the RBI has allowed them to buy wholesale cash from RBI and currency chests, source cash from any scheduled bank, and display advertisements pertaining even to non-financial products/services within the WLATM premises. Further, banks can issue co-branded ATM cards with the authorized WLATMs, and, may extend the benefit of 'on-us' transactions where the customer/cardholder and ATM are of the same bank to their WLATMs. The permission given to WLATM operators aka WLAOs in December 2016 to source cash from retail outlets, has been withdrawn. WLAOs can buy wholesale cash, above a threshold of one lakh pieces (and in multiples thereof) of any denomination, directly from its issue offices and currency chests, against full payments. They can offer bill payment and interoperable cash deposit services, subject to technical feasibility and certification by the National Payments Corporation of India (NPCI). They can display advertisements pertaining to non-financial products/services anywhere within the WLATM premises, including the WLATM screen, except the main signboard.

### **RBI defers launch of IndAS**

RBI has postponed the rollout of the new accounting standards (IndAS). It is awaiting amendments to the banking laws before adopting the norms.

### **RBI throws open rupee interest rate alternatives market to non-residents**

RBI has given a green signal for non-residents to undertake transactions in the rupee interest rate derivatives markets, to hedge an exposure to rupee interest rate risk and for purposes other than hedging. Non-residents may undertake rupee interest rate derivative transactions in India to hedge its interest rate risk using any permitted product transacted on recognized stock exchanges, electronic trading platforms (DTPs) or OTC markets. A non-resident has to ensure that its transactions conform to the relevant provisions of RBI Act, 1934, as well as applicable provisions of the Foreign Exchange Management Act, 1999, and the rules regulations and directions issued thereunder.

## **Regulator's Speak**

### **Digital payments have witnessed 9-fold increase over last 5 years: RBI Governor**

At the NITI Aayog's FinTech Conclave 2019, Mr. Shaktikanta Das, Governor, RBI said, "Over the years, RBI has encouraged greater use of electronic payments so as to achieve a "less-cash" society. Retail electronic payments have witnessed about 9-fold increase over the last five years. Banks no longer have a monopoly over payment services. Affordability, interoperability, customer awareness and protection are areas that have come into focus". However, he also added that, "with the fast pace of technological changes, non-banking entities are co-operating, as well as, competing with banks, either as technology service providers to banks, or by directly providing retail electronic payment services. Going forward, RBI will set up a regulatory sandbox, for which guidelines will be issued in the next two months. A regulatory sandbox will benefit fintech companies by way of reduced time to launch innovative products at a lower cost".

## New Appointments

Name	Designation/Organization
Mr. Ravneet Gill	Appointed as Managing Director & CEO of YES Bank
Mr. Manas Ranjan Biswal	Appointed as Executive Director of Union Bank of India

## Forex

Foreign Exchange Reserves		
Item	As on March 29, 2019	
	₹Bn.	US\$ Mn.
	1	2
Total Reserves	28,539.4	4,11,905.0
1.1 Foreign Currency Assets	26,565.5	3,84,053.5
1.2 Gold	1,666.5	23,408.4
1.3 SDRs	100.8	1,456.7
1.4 Reserve Position in the IMF	206.6	2,986.4

Source: Reserve Bank of India (RBI)

Benchmark Rates for FCNR(B) Deposits applicable for April 2019					
Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	2.53100	2.35800	2.27800	2.25200	2.25800
GBP	0.86930	0.9696	1.0097	1.0535	1.0900
EUR	-0.22410	-0.196	-0.119	-0.056	0.041
JPY	-0.00130	-0.030	-0.045	-0.040	-0.029
CAD	2.22000	1.890	1.847	1.851	1.875
AUD	1.62000	1.525	1.520	1.690	1.750
CHF	-0.63750	-0.638	-0.578	-0.505	-0.420
DKK	-0.14370	-0.0973	-0.0269	0.0592	0.1473
NZD	1.71300	1.630	1.641	1.692	1.768
SEK	0.05500	0.113	0.200	0.284	0.379
SGD	1.93100	1.905	1.897	1.905	1.935
HKD	1.89500	1.920	1.950	1.980	2.010
MYR	3.56000	3.540	3.540	3.600	3.630

Source: www.fedai.org.in

## Glossary

### Trade Credit (TC)

**Trade Credit (TC)** means credit extended by the overseas supplier, bank, financial institution, and other prescribed and permitted recognized lenders for maturity, for import of capital/non-capital goods permissible under the Foreign Trade Policy of the government. Such TCs include suppliers' credit and buyers' credit from recognized lenders.

## Financial Basics

### Credit-Deposit Ratio (CDR)

The Credit-Deposit Ratio is used to assess a bank's liquidity by comparing a bank's total loans to its total deposits for the same period. The CDR is expressed as a percentage. If the ratio is too high, it means that the bank may not have enough liquidity to cover any unforeseen fund requirements. Conversely, if the ratio is too low, the bank may not be earning as much as it should be.

## Institute's Training Activities

Training Programmes in April 2019		
Programme	Dates	Location
Contact Classes for CAIIB Examination June 2019		Hyderabad, Chennai, Bangalore
Advanced Bank Management	27 <sup>th</sup> April to 5 <sup>th</sup> May 2019	
Bank Financial Management	12 <sup>th</sup> , 19 <sup>th</sup> and 25 <sup>th</sup> May 2019	
One-day workshop on "Insolvency and Bankruptcy Code 2016"	13 <sup>th</sup> May, 2019	Mumbai
Post Examination Virtual Mode Training for Certified Credit Professionals	24 <sup>th</sup> to 26 <sup>th</sup> April 2019	Virtual
Post Examination Virtual Mode Training for Certified Treasury Professionals	9 <sup>th</sup> , 10 <sup>th</sup> & 12 <sup>th</sup> April 2019	Virtual
First Time Branch Managers	22 <sup>nd</sup> to 26 <sup>th</sup> April 2019	Kolkata
One-day Seminar On "Doubling of farmers' Income by 2022: Role of Banks & Financial Institutions"	20 <sup>th</sup> April, 2019	Kolkata
Post Examination Classroom learning for Certified Credit Professional	22 <sup>nd</sup> to 24 <sup>th</sup> April 2019	IIBF-PDC Northern Zone

## News from the Institute

### Self-paced E-learning (SPeL) Courses

The Institute is pleased to announce Self-Paced E-learning courses for two of its certificate courses viz Digital Banking and Ethics in Banking. The objective of this self-paced e-learning is to provide a more conducive training environment to professionals employed in the banking & finance sectors. Under the self-pace e-learning mode, a candidate will have the flexibility to register for the exam, learn at his/her own pace and finally take an examination from his/her own place. Online registrations for the two courses has commenced from 9th April 2019. For more details, please visit the link <http://www.iibf.org.in/documents/SPeL-notice.pdf>.

### Case Study Competition

The Institute is organizing Case Study Writing Competition, an initiative to encourage bankers'/finance professionals to share their knowledge and experience through developing cases for enhancing, learning and comprehending complex and multi-fold situations. The Cases, accompanied by Teaching Notes, should be developed on a theme related to Indian Banking. The themes have been categorized on the basis of specialization as Scheme I (Specialized Areas) and Scheme II (General Areas). A participant is also free to develop a case in any other area related to Indian Banking under Scheme II (General Areas). For more details, please visit the link [http://www.iibf.org.in/CSR\\_Case\\_Study.asp](http://www.iibf.org.in/CSR_Case_Study.asp).

### Foundation Day Celebrations

To commemorate completion of 91 years of exemplary service to the banking industry, the Institute is celebrating its Foundation Day on 25th April 2019. Dr. (Prof.) D. Udaya Kumar, Head of Department of Design at IIT

Guwahati, will deliver a special address on the occasion.

### **Launch of 8<sup>th</sup> Advanced Management Program (AMP)**

The Institute conducts Advanced Management Programme (AMP), a management course for working Officers and Executives from the Banking / Financial Sector. The sessions are conducted at IIBF's Leadership Centre at Kurla, Mumbai and are held on weekends / Bank Holidays. The 8th batch is scheduled to commence from July 2019. For more details, please visit [www.iibf.org.in](http://www.iibf.org.in)

### **Mandatory certification of Business Correspondents**

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 are now available on the Institute's YouTube Channel. These lectures are 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. An appropriate discount structure for Bulk registrations by banks has also been drawn up.

### **Change in Rule for Collecting Examination Fees**

With effect from 1<sup>st</sup> 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**

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 Treasury Management, Risk Management, Accounting, Credit Management.

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 has introduced a course on Accounting and Audit. The first exam on the subject was held on 15th July 2018. With this the Institute has courses on all the above four areas.

Further, RBI vide its letter dated 31st 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, 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](http://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](http://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 YouTubeChannel. The link to the same is <https://www.youtube.com/channel/UCjffIKtvEh8yLb3vwxosGow/playlists>. The Video Lectures for the Business Correspondents have also been recorded both in Hindi and English and these lectures have been placed on the You Tube channel of the Institute.

### **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 1<sup>st</sup> and 3<sup>rd</sup> 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:

- 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 2019 to July 2019, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31<sup>st</sup> December, 2018 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 2019 to January 2020, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30<sup>th</sup> June, 2019 will only be considered for the purpose of inclusion in the question papers.

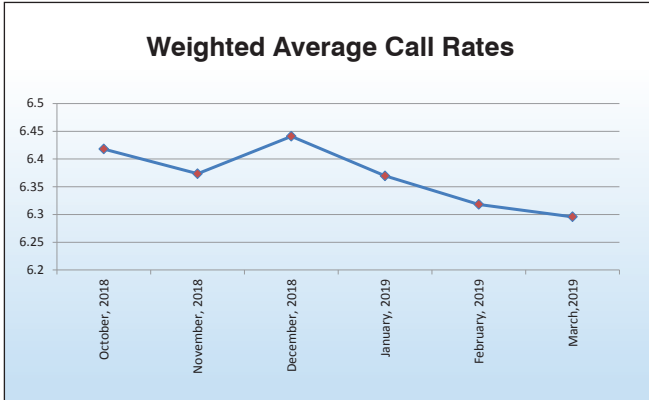
## **Green Initiative**

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

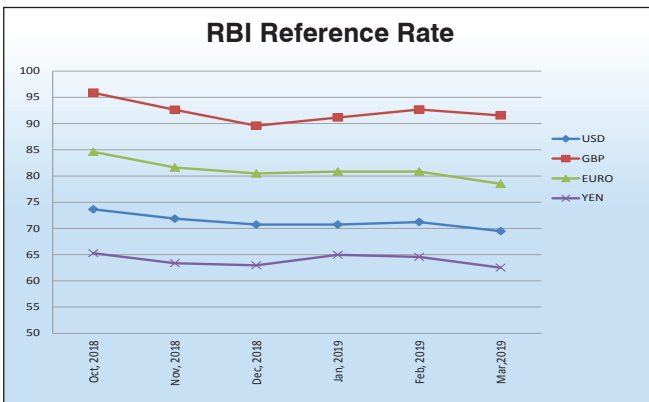


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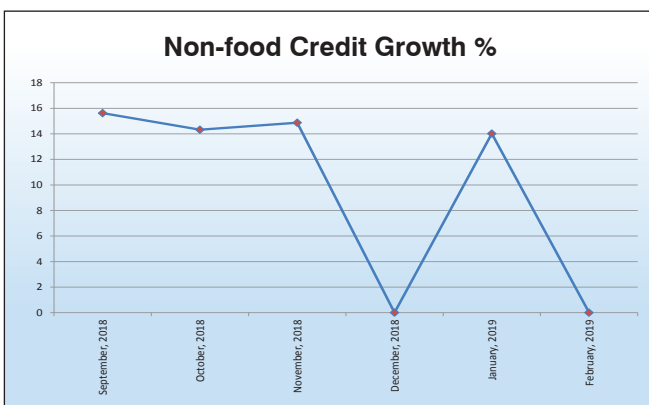
# Market Roundup



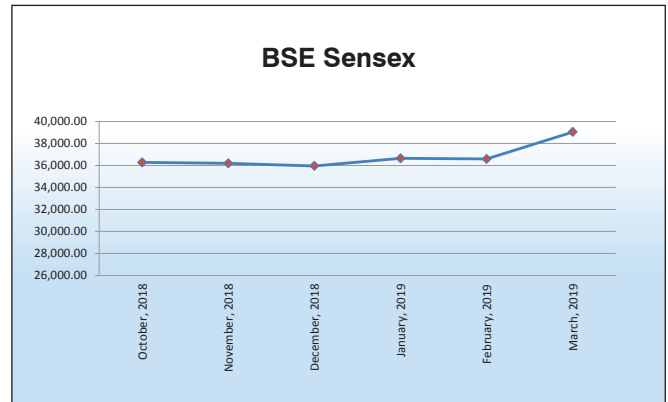
Source: CCIL News Letters - March 2019



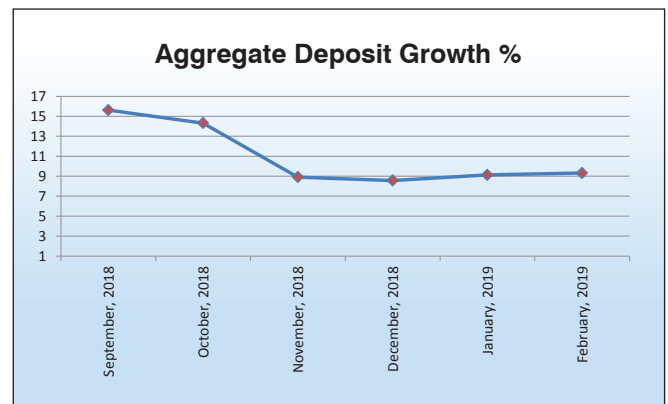
Source: FBIL



Source: Monthly Review of Economy, CCIL, March 2019



Source: Bombay Stock Exchange (BSE)



Source: Monthly Review of Economy CCIL, March 2019

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