

BANKING AND FINANCIAL AWARENESS DIGEST

MARCH 2021

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CONTENTS

NSE to Setup IBX at GIFT City, Gujarat	1
'SBI International Access-US Equity FoF'	2
GOI amends Insurance Ombudsman Rules 2017	2
Exim Bank Inked Soft Loan Pact with Eswatini	2
'Business Kisht Suraksha'—HDFC Ergo General Insurance	2
'SmartUp Unnati Mentoring Programme'—HDFC Bank.....	2
'Yes Essence'—A Women Centric Service	3
OECD predicts India's GDP growth at 12.6% for FY22	3
RBI has Taken IDBI Bank out of PCA Framework	3
'Wear N Pay' - Contactless Payment Wearable Device	3
Experts by SEBI to Examine Feasibility of SPACs.....	3
Banks to Implement Image based CTS System—By RBI	4
RBI Imposed Rs 2 crore Penalty on SBI.....	4
India's GDP to Grow 5% in FY 2021-- UNCTAD	4
'IOB Trendy' Saving Account by Indian Overseas Bank	4
SEBI announced to Ease Listing Norms for Startups.....	5
'Distributor to Retailer' (D2R) Finance-- BharatPe.....	5
KBL Smart Trade.....	5
'UNI-CARBON CARD'	5

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NSE TO SETUP IBX AT GIFT CITY, GUJARAT

- The National Stock Exchange (NSE) has signed MoU with various entities to set up an International Bullion Exchange (IBX), clearing corporation and depository at Gujarat International Finance Tec (GIFT) City in Gujarat.
- The MoU is signed to fulfil the motto of GOI, 'to make India a price setter in bullion through GIFT International Finance Service Centre (IFSC) and in accordance with the International Financial Services Centres Authority (Bullion Exchange) Regulations, 2020 and other applicable laws'.

'SBI INTERNATIONAL ACCESS-US EQUITY FOF'

- The SBI International Access-US Equity FoF is an open-ended Fund of Fund (FoF) that invest in MF schemes or ETFs (Exchange Traded Fund) that invest in US markets.
- It is opened from 1st March and is valid till 15th March 2021.
- The investment scheme would be Amundi Funds-US Pioneer Fund which benchmarks with the S&P 500 Index and has assets under management of \$2.5 billion as of 31st Jan 2021.

GOI AMENDS INSURANCE OMBUDSMAN RULES 2017

- The amendments are made with an aim to improve the working of the Insurance Ombudsman mechanism and to have a resolution of complaints in the insurance sector in a timely, impartial and cost-effective manner.
- The Insurance broker is also brought under the Ombudsman mechanism and the Ombudsmen will now have the power to pass awards against insurance brokers as well.
- The Ombudsman mechanism which was managed and administered by the Executive Council of Insurer, upon amendments it is renamed as Council for Insurance Ombudsmen.

EXIM BANK INKED SOFT LOAN PACT WITH ESWATINI

- The Export-Import Bank of India (Exim Bank) has signed a soft loan pact with Eswatini (Swaziland) on behalf of the GOI.
- Both the entities have signed a soft loan pact of USD 10.40 million (Rs 75.99 crore).
- The loan pact is signed to support the construction at disaster sites in the Kingdom of Eswatini (Swaziland).

'BUSINESS KISHT SURAKSHA'—HDFC ERGO GENERAL INSURANCE

- 'Business Kisht Suraksha' is an insurance cover that offers financial protection to the balance sheets of Microfinance Institutions, financial institutions and banks in the case of any natural calamity or disasters.
- This insurance cover was launched with an aim to reduce the negative impacts on balance sheets which occur due to non-payment of EMIs by the borrower, or due to natural calamity like earthquake, cyclones and floods.
- This insurance cover will thus protect financial institutions against increasing NPAs due to natural calamities and disaster conditions.

'SMARTUP UNNATI MENTORING PROGRAMME'—HDFC BANK

- The programme aims to support women entrepreneurs. It was launched to mark the celebrations of International Women's Day.

- Under this programme, HDFC bank's senior women leaders and experts from various domains will provide mentorship to women entrepreneurs to achieve their business goals.
- Initially, the programme aims to offer mentorship to more than 3,000 women entrepreneurs.

'YES ESSENCE'—A WOMEN CENTRIC SERVICE

- The 'Yes Essence' will provide preferentially-priced loans and healthcare benefits to women.
- It is launched to the women who belong to various segments like homemakers, salaried professionals, entrepreneurs and senior citizens.
- The service covers the lifestyle, wellness, education, protection and investment areas of women.

OECD PREDICTS INDIA'S GDP GROWTH AT 12.6% FOR FY22

- The Organisation for Economic Co-operation and Development (OECD) has projected that India's GDP to grow at 12.6% in FY22.
- As per the organisation, this growth will be the highest among G20 countries.
- Also, OECD has raised India's growth estimate for FY22 by 4.7% from 7.9% which was projected in Dec 2020.

RBI HAS TAKEN IDBI BANK OUT OF PCA FRAMEWORK

- The Reserve Bank of India (RBI) has taken out IDBI Bank from the Prompt Corrective Action (PCA) framework as enhanced regulatory supervision by RBI.
- In May 2017, RBI had inducted IDBI Bank into PCA because of increased risk-weighted assets.
- The IDBI was taken out of the framework after 4 years because of its improved financial performance. IDBI Bank is owned by the Life Insurance Corporation of India.

'WEAR N PAY' - CONTACTLESS PAYMENT WEARABLE DEVICE

- This range of devices linked to the customers' bank account and thus perform like a regular debit card.
- The devices are available in various forms like the band, Key chain and watch loop with the starting price of Rs 750.
- Users need to wave the device at a POS machine for transactions up to Rs 5,000 and for transactions for more than Rs 5000, a PIN is required.

EXPERTS BY SEBI TO EXAMINE FEASIBILITY OF SPACS

- The Securities Exchange Board of India (SEBI) has constituted a committee of experts to examine the feasibility in order to implement Special Purpose Acquisition Companies (SPACs).
- The committee is set up under SEBI's Primary Market Advisory Committee (PMAC).

- The main moto to examine SPACs is to boost the funds in an initial public offering (IPO), which will be used to identify and merge with the target company.

BANKS TO IMPLEMENT IMAGE BASED CTS SYSTEM—BY RBI

- The Reserve Bank of India (RBI) has asked all banks in the country to implement an image-based Cheque Truncation System (CTS) in their all branches.
- The RBI has also framed the deadline for the same i.e. till 30th Sep 2021.
- The image-based CTS will help in the faster settlement of cheques thus giving a better customer experience.

RBI IMPOSED RS 2 CRORE PENALTY ON SBI

- The penalty was imposed for contravention of certain provisions of Section 10 of the Banking Regulation (BR) Act, 1949.
- The penalty was also imposed for not following the specific directions issued to SBI on payment of remuneration to employees in the form of commission.
- As per the RBI's BR Act section 10 (1) (b) (ii), it is mandated that no banking company shall employ or continue the employment of any person whose remuneration or part of the remuneration takes the form of commission or of a share in the profits of the company.

INDIA'S GDP TO GROW 5% IN FY 2021-- UNCTAD

- The UN Conference on Trade and Development (UNCTAD) has estimated that the Indian economy to contract by 6.9% in FY2020 amidst COVID-19, is forecast to record a 'stronger recovery', with growth by 5% in FY 2021.
- It has also estimated that the global economy to grow by 4.7% in FY 2021
- The accumulated real income loss relative to the pre-COVID-19 trend, 2020-2021 (% of GDP) for India is 27.7 per cent.

'IOB TRENDY' SAVING ACCOUNT BY INDIAN OVERSEAS BANK

- To have an IOB Trendy account, the customer should be between the age of 21-38 years. The account can be opened in a self or joint manner. In the case of a joint account, the primary holder has to be a millennial at the time of account opening.
- The 'IOB Trendy' comes up with no 'Opening Balance' requirement, therefore no charges will be levied for the first month for non-maintenance of balance.
- The customer needs to maintain a daily minimum balance of Rs 10,000 or a daily minimum balance of Rs 5000 and a digital turnover (transactions using IOB ATM / CDM / IOB Mobile Banking or Internet Banking fund transfer / IOB UPI transactions or IOB Debit card POS transactions) of a minimum of Rs 2000 per month.

SEBI ANNOUNCED TO EASE LISTING NORMS FOR STARTUPS

- The Securities and Exchange Board of India (SEBI) announced to ease the eligibility and listing criteria particularly on Innovators Growth Platform (IGP) to help the startups.
- The SEBI has also made amendments to SEBI regulations like the Delisting of Equity Shares and Alternative Investment Funds.
- Currently, for a company to list on IGP need to have 25% pre-issue capital for at least two years by an institutional investor and other large investors. Now, this is revised to one year by SEBI.

'DISTRIBUTOR TO RETAILER' (D2R) FINANCE-- BHARATPE

- It is launched to grant instant liquidity to SMEs and empower SMEs in India.
- The D2R Finance offers collateral-free loans of upto Rs 50 lakhs for a tenure of 7 days to 30 days at low-interest rates and zero processing charges.
- The product will address the credit gap which is being faced by the SME sector.

KBL SMART TRADE

- The KBL Smart Trade will allow the customers of Karnataka Bank to access IIFL Securities Demat and Trading account solution to serve their capital market needs.
- This will also help the customers to open a paperless, online trading account with IIFL Securities.
- The KBL Smart Trade is a two-in-one type of account facility i.e. it possesses combined features of a Demat and Trading account.

'UNI-CARBON CARD'

- Union Bank of India launched the 'UNI-CARBON CARD' which is co-branded by HPCL in NPCI's Rupay platform.
- This card will create an opportunity to add the value of benefits to the bank's customers.
- The UNI-CARBON CARD is a contactless tap and goes type of card. It is also termed as National Common Mobility Card (NCMC).