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# **BANKING AND FINANCIAL AWARENESS**

## **JANUARY 2020: WEEK II**

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### **AMAZON WILL INVEST \$1 BN IN DIGITIZING SMALL BUSINESSES IN INDIA**

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- Jeff Bezos, the chief of Amazon.com Inc, said that the company will invest USD 1 billion (over Rs 7,000 crore) in India to bring small and medium businesses online.
- He further committed to exporting USD 10 billion worth of India-made goods by 2025.
- Earlier, Amazon had committed USD 5.5 billion investments in India.

### **MICHAEL PATRA APPOINTED AS RBI'S NEW DEPUTY GOVERNOR**

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- Michael Debabrata Patra has been appointed as the new Deputy Governor of the Reserve Bank of India (RBI).
- He has replaced Viral Acharya.
- He has been appointed for tenure of 3 years.
- Other three governors of RBI at present are- NS Vishwanathan, BP Kanungo, and MK Jain.

### **RBI RELEASES NATIONAL STRATEGY FOR FINANCIAL INCLUSION**

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- Reserve Bank of India has released the National Strategy for Financial Inclusion 2019-2024.
- The document was formally released by the Deputy Governor M K Jain.
- This strategy for financial inclusion aims to provide access to affordable financial services, broadening & deepening financial inclusion and promoting financial literacy & consumer protection.
- The report has also called for increasing the reach of banking services via scheduled commercial banks, payment banks and others to every village within a 5 km radius of 500 households in hilly areas by March 2020.

### **RBI ALLOWS VIDEO-BASED KYC**

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- The Reserve Bank of India has amended its norms for KYC (Know Your Customer) and have allowed banks to use video-based Customer Identification Process (V-CIP) for KYC of customers.
- This new V-CIP technology will make it easier for banks to adhere to the RBI's KYC norms by using digital technology.

- RBI also said that the banks will have to ensure that the video recording for KYC is stored in a safe and secure manner with the date and time stamp.

## **WORLD BANK PROJECTS INDIA'S GROWTH FOR FY20 AT 5%**

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- The World Bank has reduced India's growth for financial year 2020 to 5% from 6% projected earlier.
- This is the lowest projection of World Bank for India in 11 years.
- This is the slowest growth forecast of India since the 3.1% rate recorded in the year 2008-09.

## **SBI LOWERS INDIA'S GDP ESTIMATES FOR FY20 TO 4.6%**

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- The State Bank of India has lowered the growth forecast of India for the financial year to 4.6% from 5% earlier in its latest SBI Eco wrap report.
- The report also predicted that the country's growth rate will remain below 6 per cent for the two years in a row.
- The budgeted nominal GDP growth rate was 12 per cent for the financial year 2020 which has now been revised downwards to 7.5 per cent.

## **STATE BANK OF INDIA ANNOUNCES RBBG SCHEME**

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- State Bank of India (SBI) has announced a 'residential builder finance with buyer guarantee' (RBBG) scheme.
- This scheme aims at giving a push to residential sales and to improve homebuyers' confidence.
- Under the RBBG scheme, SBI will issue a guarantee for completion of select residential projects to customers who have availed home loans from it.
- Initially, the scheme will focus on affordable housing projects priced up to 2.50 crore rupees in 10 cities.

## **IBBI (LIQUIDATION PROCESS) (AMENDMENT) REGULATIONS, 2020**

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- The Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2020 is notified by the Insolvency and Bankruptcy Board of India (IBBI) on 6th January 2020.
- The amendment is done in the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- The amendment clarifies that a person, who is not eligible under the Code to submit a resolution plan for insolvency resolution of the corporate debtor, shall not be a party in any manner to a compromise or arrangement of the corporate debtor under section 230 of the Companies Act, 2013.