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BANKING AWARENESS GUIDE

BY TEAM BANKEXAMSTODAY



BANKING AND FINANCIAL AWARENESS - MARCH 2018

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PART - A

MUTHOOT FINANCE TIES UP WITH GLOBAL IME BANK

- The flagship company of Muthoot Group, Muthoot Finance Ltd. has tied up with Global IME Bank to increase its money enclosure services linking Indo Nepal Corridor.
- Muthoot Finance is the only Non-Banking Financial Company (NBFC) which has extended the money transfer services from India to Nepal.
- RBL Bank of India and Global IME Bank Ltd of Nepal are the banking partners to help Indo-Nepal remittance service.

CHINA HAS APPOINTED YI GANG AS THE NEW CENTRAL BANK GOVERNOR

- China has chosen Yi Gang, American-trained economist, to become the country's new central bank Governor.
- It said that his appointment to the topmost post at the People's Bank of China was set to be confirmed when the government reconvenes. He is going to replace Zhou Xiaochuan.

SEBI HAS RAISED CURRENCY DERIVATIVE TRADE LIMIT UP TO \$100 MILLION

- The Securities and Exchange Board of India has raised the disclosure deadline under exchange-traded currency derivatives trading for natives and foreign portfolio investors to \$ 100 million across all currency pairs involving the Indian rupee.
- This movement will encourage entities involved in foreign transactions to keep their currency uncertainties in a better manner.

INDIA HAS SIGNED DOUBLE TAXATION AVOIDANCE TREATY WITH HONG KONG

- India and Hong Kong have confirmed a double taxation avoidance agreement (DTAA) which tries to increase transparency in tax matters and support to restrain tax evasion and avoidance.
- The settlement between India and the Hong Kong Special Administrative Region of the People's Republic of China was approved by Indian Ambassador to China Gautam Bambawale and Hong Kong Finance Secretary Paul Chan Mo-Po in Hong Kong.
- It will spur the flow of investment, technology and personnel from India to HKSAR and vice a versa.

GENERAL INSURANCE CORPORATION TO OPERATE IN LONDON

- General Insurance Corporation will restart its services in Lloyd.
- Its purpose is to raise the share of international business and to make India a regional reinsurance centre.
- It has increased its overseas business by opening its branch offices in London, Dubai and Kuala Lumpur.

ALLAHABAD BANK JOINS WITH ABFL

- The Ministry of Corporate Affairs has approved the amalgamation of Allahabad Bank's fully owned subsidiary bank – All Bank Finance Ltd (ABFL)-with Allahabad Bank the bank.
- The company board had chosen to abdicate its NBFC licence in 2005 and its merchant banking licence to market regulator SEBI.

SWIGGY PARTNERS WITH ICICI BANK

- Swiggy, online food ordering and the delivery platform have agreed with ICICI Bank.
- It is to bring that two innovative digital solutions which facilitate convenient fund transfers to its customers.
- This will give a Unified Payment Interface based solution to instant fund transfers on-the-go and an option to facilitate cash deposits at automated Cash Deposit Machines (CDM).

PAYTM RECEIVED SEBI NOD AS REGISTERED INVESTMENT ADVISER

- Financial services platform Paytm announced its wholly-owned subsidiary; Paytm Money has obtained permission from market regulator SEBI to become a Registered Investment Advisor.
- The permission from the Securities and Exchange Board of India will enable the company to roll out property and wealth management outputs to customers over the country.

PASSPORT COMPULSORY FOR BANK LOANS OF RS. 50 CRORE & ABOVE

- The authority declared that banks will have to get passport aspects of clients who seek loans above Rs 50 crore.
- According to Financial Services Secretary, all current investments of over 50 crore rupees, banks have been asked to get passport aspects of borrowers within 45 days.

ICICI BANK OFFERS INSTANT OVERDRAFT FACILITY

- ICICI Bank has started instant overdraft 'InstaOD' facility for MSME (Micro, Small and Medium Enterprises) clients in a fully online and paperless manner.
- Clients can arrange overdraft facility up to Rs 15 lakh for a year anytime, wherever using the bank's Internet and mobile banking app.
- The overdraft is renewable on a yearly basis, depending on the repayment track reports of the overdraft facility.
- The new services will facilitate a few lakh of pre-qualified current account clients of the bank to immediately avail of the services without visiting a branch and presenting physical reports.
- ICICI Bank will also give the service for immediate online permission of the overdraft service to MSME customers of other banks quickly.

SBI REDUCES MINIMUM BALANCE CHARGES

- The State Bank of India has lessened its charges on non-maintenance of an average monthly balance in savings accounts up to 75%, by the end of April 1.
- The fees for non-maintenance of AMB for clients in metro and urban centres have been decreased from a maximum of Rs.50 per month to Rs.15 per month +GST.
- In semi-urban and rural centres, the fees have been lessened from Rs.40 per month (+GST) to Rs.12 and Rs.10 per month (+GST), sequentially.

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA SIGNS A MOU WITH RBI

- The Insolvency and Bankruptcy Board of India (IBBI) endorsed a Memorandum of Understanding (MoU) with the Reserve Bank of India (RBI).
- They have agreed under the MoU to support and co-operate with each other for the efficient implementation of the Insolvency Code.

GST COUNCIL APPROVES ROLLOUT OF E-WAY BILL FROM APRIL

- The GST Council headed by Finance Minister Arun Jaitley supported the rollout of the inter-state e-Way bill from April 1, submitted the obligation to pay tax on converse charge mechanism until June 30 and continued tax exemption benefits to exporters for another six months.
- The TDS and TCS have also been deferred for another 3 months until June 30.
- E-Way or electronic-Way Bill for intra-state movement of goods will be proposed in a phased manner April 15 and would comprise all the States by June 1.

AMAZON LAUNCHES FIRST DEBIT CARD IN MEXICO E-COMMERCE PUSH

- Amazon.com Inc. started its first-ever debit card in Mexico, part of a push to promote customers without bank accounts to buy online.
- Amazon said that Mexico was the first country where it has offered a debit card, called Amazon Rechargeable, intending to provide consumers with a new method to buy on its website.
- Clients that don't have a credit or debit card will get Amazon Rechargeable an easy and practical way to change cash into a payment method.

WORLD BANK PROJECTS INDIA'S GDP GROWTH AT 7.3 PERCENT FOR THE NEXT FINANCIAL YEAR

- The World Bank has proposed India's GDP growth at 7.3 percent for the next financial year which it states will stimulate further to 7.5 percent in 2019-20.
- The World Bank's semi-annual publication, India Development Update – India's Growth Story, demands the economy to clock a growth rate of 6.7 percent in the present fiscal ending 31st March.

ASIAN DEVELOPMENT BANK, INTERNATIONAL SOLAR ALLIANCE SIGN PACT TO PROMOTE SOLAR ENERGY

- The Asian Development Bank (ADB) and the International Solar Alliance (ISA) has signed a cooperation agreement to develop solar energy deployment in Asia and the Pacific.
- The agreement envisions solar power generation, solar based mini-grids, and transmission systems for combining solar energy into grids, among others.

IBBI SIGNS MOU WITH RESERVE BANK OF INDIA

- The Insolvency and Bankruptcy Board of India (IBBI) confirmed a MoU with the Reserve Bank of India.
- Under the MoU, the RBI and the IBBI will act in partnership for the effective implementation of the Insolvency and Bankruptcy Code, 2016 and its allied laws and ordinances.

SBI HIKES LENDING RATE TO 8.15%:

- The State Bank of India has increased its lending rates by 20 basis points to 8.15 percent, with immediate effect, fixing the tone for the banking sector to follow suit.
- This is possible to make home and car loans expensive. This is the first lending update by the bank since April 2016 and comes a day after it massively increased the retail and bulk deposit rates.

RBI ALLOWS HIGHER POSITION LIMIT FOR FPIs IN INTEREST RATE FUTURES:

- The Reserve Bank of India has raised position limit in Interest Rate Futures (IRFs) for international securities investors or FPIs.
- The banking governor has approved a limit of 5,000 crores for FPIs to go high in IRFs. An Interest Rate Futures contract is an arrangement to buy or sell a debt instrument at a defined future period at a value that is fixed today.
- The underlying security for Interest Rate Futures is either a Government Bond or a Treasury bill.

CITI LAUNCHES TREASURY BILLS-LINKED HOME LOANS:

- US bank Citi has started India's first market benchmark rate-linked lending product. The bank has launched a home loan product that will be connected to the rate of treasury bills, which is used by the government authority for its short-time borrowings that is 3-month.

- The T-Bill-linked home loan is based on the 3-month T-Bill rates declared on the 12th of each month by Financial Benchmarks India Pvt Ltd (FBIL) and is open to all new and existing home loan customers. FBIL is approved by the RBI as an independent Benchmark administrator.
- The interest rate resets on the T-Bill linked home loan is on March 1, June 1, September 1 and December 1.

RBI LIFTS PER-BORROWER LOAN CAP FOR MSMEs:

- Reserve Bank of India has determined to do away with per borrower loan limits to Micro/ Small and Medium Enterprises (Services) for classification under priority sector lending.
- Earlier, Loan limit to Micro/ Small and Medium Enterprises (Services) is up to Rs 5 crore and Rs 10 crore, respectively, was recognized priority sector lending (PSL). Presently the limits have been lifted by RBI.
- So, all bank loans to MSMEs that are included in services as defined in terms of investment in equipment under the MSMED Act, 2006, will be viewed priority sector lending without any credit limit.

HDFC, HAPPAY PARTNER TO HELP FIRMS MANAGE T&E EXPENSES:

- Happay, a business expense management solution provider, in collaboration with HDFC bank, launched a new prepaid card-linked Travel and Entertainment (T&E) expense management solution to facilitate Indian enterprises to efficiently manage their business travel expenditure.
- Through Happay-HDFC Bank prepaid cards and Happay mobile app, employees of the companies will be enabled to seek trip advances, get trip itineraries pre-approved by management, do trip bookings and even file trip expenses

RBI TO CONDUCT ADDITIONAL REPO OPERATIONS TO GIVE LIQUIDITY SUPPORT TO BANKS:

- The Reserve Bank of India said it will transfer additional variable rate repo operations for longer tenors up to 31 days every Tuesday this month (March 2018) for 25,000 crores each to give extra liquidity support to banks.
- It means is that the central bank is ready to give liquidity aggregating Rs 1 lakh crore to the banking system in the current month (March 2018).
- A repo operation requires the provision of liquidity by the Reserve Bank of India to banks to overcome short liquidity problem.

EUROPEAN DEVELOPMENT BANK APPROVES INDIA'S MEMBERSHIP:

- India becomes the 69th member of the European Bank for Reconstruction and Development (EBRD) after shareholders of the international financial institution to give their acceptance to the country's candidature.
- Purchase of shares by India at an approximated cost around €1 million.

RBI SLAPS RS3 CRORE PENALTIES ON AXIS BANK, RS2 CRORE ON INDIAN OVERSEAS BANK:

- The Reserve Bank of India (RBI) has imposed a penalty of 3 crores on Axis Bank for breach of non-performing asset (NPA) and for non-compliance with the regulations issued by RBI on Income Recognition and Asset Classification (IRAC) criteria.
- RS 2 crore on Indian Overseas Bank (IOB) for not complying with the Know Your Customer (KYC) norms.

SIDBI, CSC PARTNER TO OFFER MSMES BETTER CREDIT ACCESS:

- The Small Industries Development Bank of India (SIDBI) has signed a memorandum of understanding with CSC e-governance Services (CSCeGS) to take Udyami Mitra portal to the unserved and the underserved MSMEs.
- It is a portal to increase the convenience of credit to the MSMEs. It enables entrepreneurs to apply for a loan without physically visiting bank branches.
- The MoU is intended to give financial support to the upcoming CSCs through bank financing.

RBI SLAPS RS. 40 LAKH PENALTY ON SBI OVER COUNTERFEIT NOTES:

- The Reserve Bank has hit a penalty of Rs 40 lakh on SBI for not complying with its regulations on detection and impounding of counterfeit notes.

PNB AND ICICI BANK INCREASES MCLR RATES

- The Punjab National Bank (PNB) and ICICI Bank increased the MCLR rates for loan borrowers. Taking a lead from SBI, country's second-largest private sector lender ICICI Bank also fostered the one-year MCLR from 8.2% to 8.3%.

- The PNB, which is at the centre of Nirav Modi scam, has also raised one-year MCLR to 8.3% from 8.15%.

RBI RAISES CURRENCY DERIVATIVE TRADE LIMIT TO USD 100 MN:

- The Reserve Bank of India has raised the disclosure limit under exchange-traded currency derivatives (ETCD) trading for Indian residents and foreign portfolio investors (FPIs) up to USD 100 million across all currency pairs including the Indian rupee.
- The RBI's decision to increase the limit will benefit entities which are engaged in forex businesses to manage their currency risks in a better way.
- Earlier, the RBI had put a limit of USD 15 million for USD-INR and USD 5 million for other currency pairs of Indian rupee with Euro, Japanese Yen and British Pound.

SBI, TEZ FOCUS ON THE GROWTH OF DIGITAL PAYMENTS ECOSYSTEM:

- Technology giant Google has announced an extensive alliance with State Bank of India (SBI), India's leading bank, for its mobile payments app, Tez.
- The alliance will allow Tez users to create SBI Unified Payments Interface (UPI) id – @oksbi and get access to special offers, especially for SBI customers.
- Both, SBI and Google will focus to build unique propositions for its clients and merchants including specially curated offers.

INDUSIND BANK AND RIPPLE TIE-UP FOR CROSS-BORDER REMITTANCES:

- IndusInd Bank, India's public sector bank, has announced its partnership with Ripple, blockchain solution enterprise to promote its Global Payments like into and out of India.
- With this alliance, Ripple Net can now able to provide an instant access to emerging markets like India, Brazil and China.

CATHOLIC SYRIAN BANK TIES UP WITH CELEBRUS:

- The Catholic Syrian Bank Ltd (CSB) has tied up with Celebrus Capital Ltd (Celebrus), to allow CSB's clients to trade online and use demat services.
- With this partnership, CSB's clients will be able to open a Celebrus trading account totally free of cost and also enjoy preferred rates on brokerage charges/AMC fees on the demat account.
- The deal also enables Celebrus to distribute other banking products through its marketing channels all across India.

PNB APPOINTS A K PRADHAN AS GROUP CHIEF RISK OFFICER:

- Following the scam nearby Rs 12,700 crore in PNB, a bank has appointed its general manager A K Pradhan as the Group Chief Risk Officer.
- PNB said that the amount of fraud in the Nirav Modi case can go up to Rs 12,700 crore as against the earlier estimate of Rs 11,400 crore.

RBI DIRECTS BANKS TO LINK SWIFT TO CBS BY APRIL 2018

- Scam of Rs 11400 crore in Punjab national bank has put the question on banks' core banking solutions, security and threatened the people's trust in banks.
- To deal with the situation and to tighten the internal controls in banks, Reserve Bank of India has directed all the banks to integrate SWIFT (Society for Worldwide Interbank Financial Telecommunication) with its core banking solutions (CBS) by the end of April 30, 2018.

PUBLIC SECTOR BANKS TO CONSOLIDATE 35 OVERSEAS OPERATIONS

- The Central government of India has asked all the Public Sector Banks (PSBs) to consolidate 35 overseas operations.
- To make banking system clean, clear and responsible, the overseas operations of the state-owned banks will be rationalized.
- This movement comes from the recent scam in Punjab national bank in which Nirav Modi clearly cheated the bank by involving with PNB staff and officials of overseas branches of other state-owned banks.

STATE BANK OF INDIA SET FOR UK RESTRUCTURING

- State Bank of India (SBI), India's leading public sector bank, is set to restructure its business in the United Kingdom from the start of April.
- SBI's UK operations will change into a subsidiary name which is State Bank of India UK Limited from April 1, in agreement with wider ring-fencing of capital requirements by the Bank of England.
- The move will indicate that all retail branches of SBI in the UK will come under a new UK-incorporated banking entity rather than their prior status as abroad branches of the Indian entity.

PART - B

BANKING AND FINANCIAL CURRENT AFFAIRS ONE LINERS:

- SWIFT (Society for Worldwide Interbank Financial Telecommunication) Broadens Real-Time Payment Tracking Capabilities.
- RBI Imposes Rs 58.9 Cr Penalty On ICICI Bank.
- SEBI Allows Physical Settlement Of Stock Derivatives.
- Exim Bank Extends \$500 Million Loan Facility To 15-Nation Group In Africa.
- Equitas Small Finance Bank has launched a new 'Yellow Army Savings Account' to increase its customer base through its association with the Chennai Super Kings (CSK), a franchise of the Indian Premier League.
- Long-Term Capital Gains Tax To Come Into Effect From 01st April.
- USA Bans Use Of Venezuelan Cryptocurrency- Petro
- Online Food ordering and delivery platform Swiggy has partnered with the country's largest private sector lender ICICI Bank to roll out two digital solutions to facilitate the transfer of funds for its delivery
- Allahabad Bank Gets Nod For ABFL Merger.
- Insolvency and Bankruptcy Board of India inks MoU with RBI.
- Muthoot Finance Ties Up With Global IME Bank.
- SEBI Raises Currency Derivative Trade Limit to \$100 Million.
- ICICI Bank Launches Online Overdraft Facility for MSME Customers.
- SBI Reduces Charges On Non-Maintenance Of Minimum Balance.
- European Development Bank Approves India's Membership.
- SIDBI, CSC Partner to Offer MSMEs Better Credit Access.

- Paytm Money Receives SEBI Nod As Registered Investment Adviser.
- RBI Slaps Rs 40 Lakh Penalty On SBI For Flouting Fake Note Norms.
- RBI Slaps Penalty On Axis Bank And Indian Overseas Bank.
- RBI To Conduct Additional Repo Operations to Provide Liquidity Support to Banks.
- RBI Raises Currency Derivative Trade Limit to \$100 Million.
- RBI Launches Ombudsman Scheme for NBFCs.
- RBI Directs Banks to Link SWIFT to CBS by April 2018.
- India to Grow 7.6% In 2018: Moody's.
- India's GDP Growth Rises to 7.2% In December Quarter.
- 9.9% Growth in Foreign Exchange Earnings in January 2018 Over January 2017.
- PNB and ICICI Bank Increase MCLR Rates.
- SBI Hikes Lending Rate to 8.15%.
- IndusInd Bank and Ripple Tie-Up for Cross-Border Remittances.
- Catholic Syrian Bank Ties Up with Celebrus Capital for Online Trading Services.
- State Bank of India Set for UK Restructuring.
- EPFO Makes Online Claims Must for PF Withdrawals Above Rs 10 Lakh.
- EPFO Introduces UAN- Aadhar Linking New Facility.

