



# **MONTHLY BANKING AND FINANCIAL AWARENESS DIGEST**

## **OCTOBER 2019**



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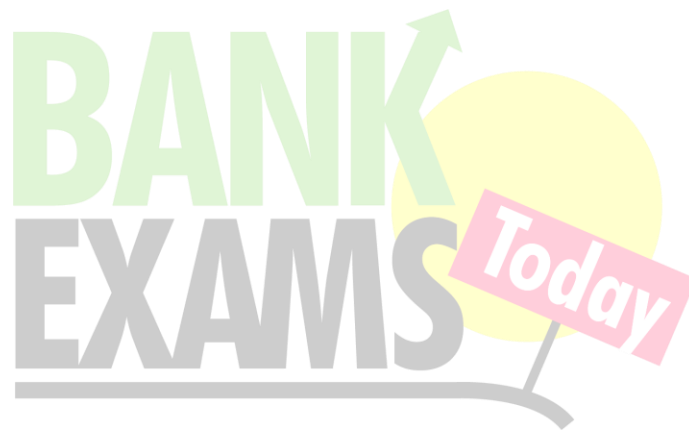
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# MONTHLY BANKING AND FINANCIAL AWARENESS DIGEST: OCTOBER 2019

## UCO BANK LAUNCHES UCASH, DIGILOCKER AND AN APP

- UCO Bank launched three products- UCash, Digilocker and an App.
- All the three products were launched by the bank's managing director and CEO, A K Goel in Kolkata.
- UCash will enable customers to withdraw money from ATMs through mobile banking without using their debit cards.
- Digilocker has been launched with an aim to eliminate the use of physical documents. It will enable sharing of verified electronic documents.
- The third product, a new mobile app, is the integration of four existing apps of the bank - UCO Mbanking, UCO UPI, UCO Mpassbook and UCO Secure- in a single interface.
- UCO Bank also became the regional bank of east recently.

## RBI REDUCES REPO RATE BY 25 BASIS POINTS IN 4TH BI-MONTHLY MONETARY POLICY

- The Reserve bank of India has once again reduced the repo rate consecutively for the fifth time in its fourth bi-monthly policy.
- With this cut, the new policy rates are-
  - **Repo Rate**- 5.15%
  - **Reverse Repo Rate**- 4.90%
  - **Bank Rate**- 5.40%
  - **Marginal Standing Facility (MSF)**- 5.40%
  - **Cash Reserve Ratio (CRR)**- 4%
  - **Statutory Liquidity Ratio (SLR)**- 18.75%
- RBI has also cut the GDP growth estimates for 2019-20 to 6.1% from 6.9% earlier.
- The next bi-monthly monetary policy review will be held from December 3-5, 2019.

## AXIS BANK LAUNCHES SHORT-TERM ONLINE FIXED DEPOSITS

- Axis Bank has announced the launch of 'Express FD'.
- Express FD is a digital fixed deposit (FD) product that will allow a customer to open an FD account in three minutes through the digital mode without opening a savings account with the bank.
- Along with this Express, FD will also offer attractive interest rates, zero issuance fees and no penalty on pre-mature withdrawal of up to 25% of the amount.
- A customer can open an Express FD account by investing a minimum Rs 5,000 up to Rs 90,000, for the tenure of 6 to 12 months.
- Customers will be able to deposit funds in Express FD through net-banking, debit card or via UPI.
- Axis Bank is India's third-largest private sector bank.

### **SBI LAUNCHES DEBIT CARD WITH EMI FACILITY**

- The State Bank of India launched 'Debit Card EMI facility' for its customers.
- Under this facility, the existing customers of the bank will be able to opt for EMI tenure of minimum six months to 18 months.
- The bank said that its customers could buy the products at 40,000 plus merchants and stores in over 1,500 cities having Pine Labs branded POS (point of sale) machines totalling more than 4.5 lakhs.
- Some of the benefits of this facility are- no processing fee, zero documentation, instant disbursal, no branch visit, and zero cost EMI on select brands.

### **ICICI BANK PARTNERS CSC E-GOVERNANCE SERVICES INDIA TO EXPAND RURAL REACH**

- ICICI Bank has signed a pact with CSC e-Governance Services India with an aim to extend its banking and other services to the country's rural regions.
- As per the MoU, ICICI Bank will engage more than 3 lakh CSCs (common service centres) working at the last mile as banking correspondents.
- Under the partnership, people in rural areas will be able to deposit, withdraw and transfer money from their ICICI bank account, subscribe to term deposit plan, obtain small-value loans, pay bills and other services through CSCs.

### **BANK OF BARODA SIGNS MOU WITH INDIAN ARMY FOR CUSTOMIZED SERVICES**

- Bank of Baroda (BoB) has signed a Memorandum of Understanding (MoU) with the Indian Army.
- According to the MoU, the bank will offer customized services along with a host of facilities to account holders (Indian Army).
- The MoU includes an overdraft facility up to three times of monthly net salary, handsome free personal accident insurance cover and free air accident insurance cover of Rs 15 lakh to Rs 50 lakh.
- These features will also be applicable for pensioners of Indian Army up to the age of 70 years.

### **SBI, BANK OF BARODA SQUEEZE MICRO-ATM TRANSACTIONS OF OTHER BANKS**

- SBI and Bank of Baroda have limited the cash withdrawals of customers using micro-ATMs of other banks to just four times a month.
- BoB is allowing customers to do four transactions a day while SBI has limited it to just one.
- SBI account holders who are not part of the government's direct benefit transfer scheme are allowed to do five transactions a month.
- These limits by the banks will only apply in the case when the customer uses the micro-ATM terminal of another bank.

### **STATE BANK OF INDIA HAS LAUNCHED SBI CARD PAY**

- It is a contactless mobile payment facility for credit cardholders.
- This feature is based on Host Card Emulation (HCE) technology which ensures faster and secure card payments through mobile phones.
- Per transaction limit using this facility is Rs.20000 and daily transaction limit is Rs.10000.

### **TEAM CASHLESS INDIA CAMPAIGN WAS LAUNCHED BY MASTERCARD**

- It was launched by the Brand Ambassador of Mastercard-M.S. Dhoni.
- The main aim of this campaign is to bring more merchants and customers on board in order to boost digital payments in India.
- The major objective of this campaign is to equip 10 million merchants in India with digital payment acceptance capabilities by 2020.

### **RESERVE BANK OF INDIA HAS STOPPED PRINTING RS.2000 CURRENCY NOTES**

- According to the reports, not a single Rs.2000 note has been printed in the Financial Year-2019-20.
- RBI has taken this step because the circulation of Rs.2000 notes will defeat the Government's motive as smuggling of high-denomination notes is easier.

### **GUIDELINES ON 'ON TAP' AUTHORIZATION OF PAYMENT SYSTEM HAS BEEN ISSUED BY**

#### **RESERVE BANK OF INDIA ON 15TH OCTOBER 2019**

- Aim-To encourages innovation and competition among the entities namely-Bharat Bill payment operating unit, Trade receivable discounts system and White label ATMs.
- The guidelines state that the payment system operator should ensure interoperability among retail payment systems.

### **MEITY STARTUP HUB PORTAL HAS BEEN UNVEILED BY THE MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY**

- It is a platform which connects startup ecosystems.
- Ministry has launched this portal for facilitating their vision of promoting startups technology, innovation and creation of intellectual properties.

### **GOVERNMENT HAS LAUNCHED BHIM-2.0**

- This new version is highly upgraded and supports three additional languages-Konkani, Haryanavi and Bhojpuri.
- It has also included Donation gateway.
- It has also increased the transaction limits for high-value transactions by increasing the existing cap of Rs.20000 and now up to Rs.1 lakh for verified merchants.

### **CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS (CBIC) HAS LAUNCHED A PROGRAMME TO STRENGTHEN 'MAKE IN INDIA'**

- The programme has been launched under the Bond scheme of Customs Act, 1962.
- It aims to attract investment into India and Strengthen 'Make in India' through manufacturing and other operations.

### **RESERVE BANK OF INDIA HAS GIVEN THE FINAL NOD FOR THE SETTING UP OF KERALA BANK**

- It will be the largest banking network in Kerala.
- Kerala Bank will be formed by amalgamating 13 District Co-operative Banks (DCBs) with Kerala State Co-operative Bank.
- As per the directions of RBI, State should submit the final compliance report by 31st March 2020.

### **STATE BANK OF INDIA HAS DECIDED TO CHARGE PROCESSING FEE ON HOME-LOANS, TOP-UP PLANS AND REAL-ESTATE COMPANY LOANS**

- The processing fee will be around 0.4% ranging from Rs.10000 to Rs.30000 for individual borrowers.
- The processing charge for builders and real-estate companies will be Rs.5000.

### **GOVERNMENT E-MARKETPLACE (GEM) HAS SIGNED A MOU WITH UNION BANK OF INDIA FOR PROVIDING SERVICES RELATED TO TRANSFER OF FUNDS**

- It will facilitate cashless and paperless payment on the portal.
- It will also promote transparency in the procurement of goods and services.

### **STATE BANK OF INDIA HAS REDUCED THE SAVINGS INTEREST RATES BY 25 BASIS POINTS**

- It has now been reduced from 3.5% to 3.25% for deposits up to Rs.1lakh.
- SBI has taken this step to boost adequate liquidity in banking.
- The new rates will be effective from 10th October 2019.

### **CONFERENCE ON ONE NATION ONE TAG-FASTAG WAS HELD IN NEW DELHI**

- Purpose-To rolls out the process for having a unified electronic system across the country.
- An MoU has been signed between Indian Highways Management Company Ltd. And Goods and Services tag Network (GSTN) for the integration of FASTag with GST e-way bill system.
- It was inaugurated by Union Minister of Roads and Transport-Nitin Gadkari.

### **INDIA'S RATINGS AND RESEARCH GROUP HAS LOWERED INDIA'S GDP FORECAST FOR FINANCIAL YEAR-2019-20 TO 6.1%**

- GDP forecast was 6.9% in August 2019.
- The slowdown in rural and urban consumption demand growth has been cited as the key reason for this downward revision of GDP forecast.

### **UNION GOVERNMENT HAS APPROVED 5% ADDITIONAL DEARNESS ALLOWANCE FOR THE CENTRAL GOVERNMENT EMPLOYEES**

- Currently, the dearness allowance is 12% of the basic pay which will be now increased to 17% of the basic pay.
- Similarly, it has also been increased by 5% for the Central Government pensioners.

### **GOVERNMENT OF INDIA HAS LAUNCHED NATIONAL E-ASSESSMENT SCHEME**

- The purpose of this scheme is to make income tax assessment faster, smoother and hassle-free.
- It focuses on the elimination of any middle-men between the tax-payer and the Income-tax officer.
- The regional e-Assessment centres will be established in six cities-Chennai, Mumbai, Kolkata, Pune, Ahmedabad and Hyderabad.

### **THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) HAS BROUGHT A NEW RULE TO IMPACT FOREIGN FUNDS**

- The new rule implies that only Foreign Portfolio Investors (FPIs) located at Financial Action Task Force (FATF) countries can deal in participatory notes to invest in Indian stock markets.
- Participatory notes are financial instruments which allow the investors to invest in Indian stock markets even if they are not registered with SEBI.
- This new rule is based on the H R Khan committee recommendation.
- Increased inflation, Trade war between India and China and rising prices of crude oil are some of the reasons behind the imposition of this rule.

### **ICICI BANK HAS CROSSED THE RS.3 TRILLION MARKET CAPITALIZATION FOR THE FIRST TIME.**

- It has become country's 4th bank to achieve this milestone.
- Stock touched a fresh record of Rs.460 on BSE which is 2.3% higher than its previous scale.
- Before ICICI, only HDFC bank, SBI and Kotak Mahindra achieved this milestone.

### **RBI HAS ANNOUNCED A BAN ON BANKS IN ORDER TO DEPLOY DIRECT SELLING AGENTS TO SELL RETAIL LOANS.**

- This ban aims to reduce data theft and operational risks.

### **COUNCIL MEETING OF NATIONAL INVESTMENT AND INFRASTRUCTURE FUND (NIIF) WAS CHAIRED BY THE UNION FINANCE MINISTER AT NEW DELHI.**

- Government of India contributes 49% of the total commitment to the NIIF Scheme.
- Total proposed corpus for NIIF is Rs.40000crore.

### **9.89% STAKE OF THE TOTAL SHARE CAPITAL OF BANDHAN BANK HAS BEEN ACQUIRED BY HDFC.**

- This merger is a part of stake dilution exercise in order to meet RBI's stipulation.
- 15.93crore share of the Bandhan Bank has been transferred to HDFC.

### **VREEDHI FINANCIAL SERVICES HAS RECEIVED A NON-BANKING FINANCE COMPANY LICENCE FROM RBI .**



- Its major objective is to provide credit and services to micro-enterprises.
- This company is going to form a digital lending model in the next financial year.

**UNION BANK OF INDIA (UBI) PARTNERED WITH SREI EQUIPMENT FINANCE LTD.**

- This partnership aims to provide loans to micro, small and medium enterprises (MSMEs) and retail sectors.
- Srei Equipment Finance Ltd. is a non-banking financial company (NBFC).
- They have also organized 'Loan Utsav' across 20 cities in India.

**GOVERNMENT OF INDIA HAS ANNOUNCED THE ELIGIBILITY FOR OVERSEAS CITIZENS OF INDIA TO APPLY FOR NATIONAL PENSION SYSTEM AT PAR WITH NRIs.**

- OCIs can apply for the pension according to the Pension Fund Regulatory and Development Authority (PFDR) act 2013.
- They can join the National Pension system till the age of 65 years.

