



IBS VIGYAN

VISIONING BANKERS



Evangelistically Speaking

Dear Stakeholders,

Ekalavya learned by himself – is what we have been told. He had realized the presence of a virtual Guru. It is the creation of this virtual reality that every teacher is agonising over in a flipped classroom. And this measures her efficiency in a digital environment. But what she aims for beyond her efficiency, is the learner efficacy.

Students have generally welcomed digital coaching for the flexibility it offers in terms of place, time and even language. There is a general view among students that a digital session is less distractive than a physical classroom. From a teacher's perspective, we view this as the student taking up the responsibility to be attentive, mostly, without being supervised too.

I am articulating these thoughts to impress upon our students the continuous efforts put in by our faculty to enhance learner's success. These thoughts are shared at a time when the David like Physicswallah has been able to earn investor interest against the profligacy of other Edutech majors claiming to have achieved Goliath like stature. We would also aspire to follow the success of the Davids, unmindful of the Goliaths disrupting the Edutech space.

Looking forward to a meaningful and sustaining engagement.

Sincerely Yours

Sathesh Kumar. S
Managing Director

Reflectively Speaking

I was able to complete Certificate in Risk Management only by listening to the online lecture of IBS faculty. Special thanks to the faculty and support team at IBS for the guidance and assistance which has helped me make a career advancement and specialise in Financial & Regulatory Reporting wing of a major Bank.

(Abhilash Vasudevan, Standard Chartered Bank)

Correctly paced lectures, total syllabus coverage and insightful leads into the questions pattern, made clearing CAIIB a cakewalk for me. Thanks to the entire team at IBS.

(Mathew Kunjathil, Canara Bank)

Every month, I feel more confident after going through Vigyan, Helps me save time, yet keep abreast of the market. Thanks, IBS Vigyan Team.

(Priti Prakash, Bank of Baroda)

The engagement with IBS made my task of JAIB very simple. I am confident that I will be able to repeat my success in CAIIB too, with support from IBS.

(Raj Tawade, Indian Bank)



Curated Cube

HDFC Ltd was enjoying regulatory arbitrage when it was not required to maintain Cash Reserve Ratio with RBI. It has exhibited commercial wisdom to forego this arbitrage and merge with HDFC Bank. So, the synergies may outweigh the arbitrage

Similar synergies form the raft of RBI's co-lending norms when the extensive reach of NBFCs and the deep resources of Banks enhance the inclusiveness of finance. The fintechs spotted tremendous opportunity in this space and promptly RBI had to come out with regulations on digital lending.

The overarching approach of RBI's regulations is to promote UPI based payment mechanism for movement of funds and prescribe NBFC registration for Lenders so that they fall under the Regulated Entity umbrella. Enhanced borrower awareness is attempted through a transparent Annual Percentage Rate (APR). A mandatory cooling off period needs to be provided during which the borrower will have option to fully repay the loan and terminate the relationship. Another customer protection is brought in through directing the Lender to credit the loan amount directly to borrower's account in the absence of specific mandate to make direct disbursement to end-beneficiary. Provision for a nodal Grievance Redressal Officer is also brought in, in the guidelines. Delinquency data flow to Credit Information Companies has to be ensured through the Regulated Entities.

Data protection and Privacy Policy are also to be ensured by Regulated Entities. Any First Loss Default Guarantee (FLDG) through the likes of Credit Default Swaps must be in a transparent manner and comply with Master Directions of RBI dated 24th September 2021.

The guidelines are most welcome to ensure that the borrower ignorance is not exploited by any fly-by-night operator. These guidelines will also foreground better compliance and avoid abuse of technology at a time when the UPI based products of National Payments Corporation of India (NPCI) are gaining global acceptance and recognition.

(Cube gives a third dimension in geometry. Curated Cube endeavors to conflate events in the market over the past month.)

JAIIB/CAIIB NEW BATCHES - DATE OF COMMENCEMENT

ENGLISH BATCH - JAIIB on 25 SEP 2022 / CAIIB on 30 SEP 2022

HINDI BATCH - JAIIB on 28 SEP 2022 / CAIIB on 06 OCT 2022



FOURTH PILLAR

WINDFALL TAX

A Windfall tax is a one-off tax imposed by a government on a company. When a company benefits from something that they are not responsible for, the financial gain that ensues is called windfall profits. Windfall taxes are imposed by a government against certain industries when they experience above-average profits due to economic conditions. Governments, typically, levy a one-time tax over and above the normal rates of tax on such profits, and that is called windfall tax.

CREDIT INFORMATION COMPANIES (CIC) INCLUDED UNDER RBI-INTEGRATED OMBUDSMAN SCHEME:

In order to make the RB-IOS broader, RBI has decided to bring Credit Information Companies (CICs) also under the ambit of RB-IOS 2021. This will provide a cost-free alternate redress mechanism to customers of REs for grievances against CICs.

UIDAI LAUNCHED 'AADHAARFACERD' MOBILE APP:

The UIDAI has launched a face authentication feature through a new mobile app called "AadhaarFaceRd". For authentication, Aadhaar card holders no longer need to physically visit an enrolment centre for iris and fingerprint scans. The UIDAI has started using face authentication as a method of confirming an Aadhaar holder's identity.

DEFINITION OF BENEFICIAL OWNER IN PARTNERSHIP

Beneficial owner in a partnership is the person who is entitled to more than 15% of capital and profit of that partnership concern.

NRO ACCOUNTS FOR FOREIGN STUDENTS

Banks can open NRO accounts for foreign students on the basis of their passports after verifying their visa and immigration details, and on production of the admission letter from their educational institution. However, within 30 days of their opening of such accounts, there would be a cap of US\$1000 on foreign remittances and ₹ 50,000 on monthly withdrawal.

RESTRICTION ON STORAGE OF ACTUAL CARD DATA (Credit & Debit Cards)

Based on Guidelines on Restriction on Storage of Actual Card Data i.e., Card-on-File (CoF), with effect from October 1, 2022, no entity in the card transaction/ payment chain, other than the card issuers and or card networks, shall store CoF data, and any such data stored previously shall be purged.

(Fourth Pillar strives to position beyond the three pillars of Basel and is culled from the Four Estates)

JAIIB/CAIIB NEW BATCHES - DATE OF COMMENCEMENT

MALAYALAM BATCH - JAIIB on 28 SEP 2022 / CAIIB on 06 OCT 2022

TELUGU BATCH - JAIIB on 02 OCT 2022 / CAIIB on 28 SEP 2022



INQUISITIVELY SPEAKING

1) To further encourage the use of Unified Payments Interface (UPI) by retail investors, Reserve Bank of India has enhanced the transaction limit for payments through UPI for Retail Direct Scheme and Initial Public Offer (IPO) applications from ₹.2 lakh to ₹. _____ lakhs.

- a) 3 b) 4 c) 5 d) 7

2) Under Positive Pay system for high value clearing, NPCI shall enable it for all account holders issuing cheques for amounts of ₹. _____ and above at the discretion of the account holder and banks may consider making it mandatory in case of cheques for amounts of ₹. _____ and above.

- a) 1,00,000 & 5,00,000
b) 25,000 & 2,00,000
c) 50,000 & 5,00,000
d) 10,000 & 1,00,000

3) Contactless card payment uses _____ and _____ to offer customers a more secure payment method than the traditional method of swiping a credit card.

- a) Radio frequency identification (RFID)
b) Near-field communication (NFC)
c) Structured Financial Messaging System (SFMS)
d) a and b

4) Contactless card transactions and e-mandates on cards (and UPI) for recurring transactions have enhanced customer convenience. To further the adoption of digital payments in a safe and secure manner, RBI has enhanced, at the discretion of the user, the limits for contactless card transactions and e-mandates for recurring transactions through cards from ₹.2000 to ₹. _____

- a) 3,000 b) 4,000 c) 5,000 d) 10,000

5) RBI has increased limit for requirement of Additional Factor Authorization limit for regular transactions through e-mandates / standing instructions on cards, prepaid payment instruments and Unified Payments Interface from ₹.5000/- to _____ per transaction.

- a) ₹. 10000/- b) ₹. 15000/- c) ₹. 20000/- d) ₹. 25000/-

ANSWER KEYS

- (1) C (2) C (3) D (4) C (5) B

Stretch n Speak

NaBFID – National Bank for Financing Infrastructure & Development.

FSIB - Financial Services Institutions Bureau.

DA&FW – Department of Agriculture & Farmers' Welfare.

IDRCL – India Debt Resolution Company Ltd.

NARCL – National Asset Reconstruction Company Ltd.

JAIIB/CAIIB NEW BATCHES - DATE OF COMMENCEMENT

TAMIL BATCH - JAIIB on 02 OCT 2022 / CAIIB on 28 SEP 2022

KANNADA BATCH - JAIIB on 28 SEP 2022 / CAIIB on 06 OCT 2022

