



IBS VIGYAN

VISIONING BANKERS

Evangelistically Speaking



Dear Stakeholders,

The mutation - resistance continuum rolls on. Hence, teaching rolls on more in hybrid manner. The blended learning has been received well at higher levels of cognition but has been found wanting at basic level. The three-tier structure of JAIIB, CAIIB and Certificate examinations rolled out by IIBF facilitates a spiralling curriculum and spaced repetition. The effectiveness of IBS's evolved pedagogy on these lines has been vindicated during the recently concluded examinations of IIBF. Our pass percentages have far outstripped the abysmally low national average disclosed in IIBF publications. The relatively higher number of distinction scores among the candidates assisted by us reflects the conceptual clarity they have been assimilating during our engagement

The Design Thinking Collective put in by our faculty team empathised with the aspiring bankers and realised that most of the candidates were not exposed to hands-on situations at branch level, especially in syllabus under BFM. Therefore, we defined to address the problem with intensifying situational role-play in our content.

This was achieved through more of animated content, where the student is kept glued to the screen to follow the unfolding of the story. The prototype that befits the time-deficient impatience of the candidate evolved by pooling the collective wisdom of our faculty team, including drawing them from diverse domains. This has led to the evolution of our **SMILE** approach in pedagogy. **S**tudy materials, content-rich and dynamically updated; **M**ock Tests that provided self-evaluation; **I**nteractive through WhatsApp and telegram groups beyond classrooms; **L**Earning through Live online mode than recorded videos. The high scores in this month's examinations have been the test of this prototype that left us with the proof of the pudding. We are beholden to all the candidates who validated our evolved skilling model.

Looking forward to a meaningful and sustaining engagement.

Sincerely Yours
Satheesh Kumar. S
Managing Director



CURATED CUBE

The much-awaited Offer For Sale (OFS) of LIC is so near. Yes, many would pass it on as an IPO, but it needs to be understood that no fresh shares are going to be issued by LIC, and the entire 31.62 crore shares, representing 5% stake, will be offloaded by Government. Hence, it is an OFS. A discount offer to 29 crore policy holders has opened the spurt in demand for opening new demat accounts. From Government's perspective, it's commitment in last year's budget to bridge the fiscal deficit through disinvestment could turn to be more meaningful, if this OFS can muster upwards of ₹ 50,000 crores to them. It might sound an appropriate coincidence that SEBI has launched a mobile app aimed at Investor Education termed "Saaṙthi" in late January.

RBI has come out with Master Directions on Credit Default Swaps (CDS). The distinction to be reiterated in understanding their scope is that CDS can be offered only for publicly traded negotiable debt - secured or unsecured corporate bonds and debentures in non-convertible and dematerialized form. Unrated debt issued by Special Purpose Vehicles covering infrastructure projects is also eligible for covering under CDS. CDS can be offered for money market instruments like CDs and CPs. Beyond Residents, it can be offered to such non-residents also, who are eligible to invest in corporate debt.

In the retail segment, CDS can be purchased only for hedging purpose and the CDS must not exceed in tenor and quantum of the underlying being hedged. Entities in non-retail segment can use this for hedging and otherwise, including as protection sellers. Insurance Cos, Pension Funds, Mutual Funds, Alternate Investment Funds and Foreign Portfolio Investors fall in this non-retail category. Scheduled Commercial Banks (except RRBs, SFBs, LABs and Payment Banks), NBFCs with Net Owned Funds exceeding ₹ 500 crs including Standalone Primary Dealers, Exim Bank, Nabard, Sidbi and NHB are permitted to be market makers. FIMMDA has been advised to put in place a Credit Derivatives Determinants Committee to oversee definitions on Credit Event and related operational issues and aligning with international best practices. The Directions come into effect from May 9, 2022.

RBI is clear on cryptos. RBI does not address them as currency, but digital tokens. When block chain technology can be put to use in several other needy areas, the argument that cryptos support this technology is convoluted. Let buyers beware!

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

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FOURTH PILLAR

- **LEI mandatory for cross-border deals above ₹ 50 crore** : Capital or current account cross-border transactions of more than ₹ 50 crore will mandate a 20-digit Legal Entity Identifier (LEI), from October 1, 2022. Firms with LEI will have to mandatorily furnish the LEI number in all transactions of that entity, irrespective of transaction size.
- **Factoring** : The Factoring Act, 2011 defines the 'Factoring Business' as "*the business of acquisition of receivables of assignor by accepting assignment of such receivables or financing, whether by way of making loans or advances or in any other manner against the security interest over any receivables*". The Factoring Act has laid the basic legal framework for factoring in India. Under the provisions of the above-mentioned regulations, the Reserve Bank permitted all existing non-deposit taking NBFC-Investment and Credit Companies (NBFC-ICCs) with asset size of ₹1,000 crore and above to undertake factoring business subject to satisfaction of certain conditions.
- **NBFC-Factor**: NBFC- Factor means a non-banking financial company fulfilling the principal business criteria i.e. whose financial assets in the factoring business constitute at least 75 percent of its total assets and income derived from
 - factoring business is not less than 75 percent of its gross income, and has been granted a certificate of registration by RBI under section 3 of the Factoring Regulation Act, 2011.
 - **The entry point norms for NBFC-Factor**: Every company registered under of the Companies Act seeking registration as NBFC-Factor shall have a minimum Net Owned Fund (NOF) of ₹ 5 crores.
 - **Consumer Protection Act 2019** :
 - Jurisdiction of District Commission – the District Commission shall have jurisdiction to entertain complaints where the value of the goods or services paid as consideration does not exceed fifty lakh rupees.
 - Jurisdiction of State Commission – the State Commission shall have jurisdiction to entertain complaints where the value of the goods or services paid as consideration exceeds fifty lakhs but does not exceed two crore rupees.
 - Jurisdiction of National Commission – the National Commission shall have jurisdiction to entertain complaints where the value of the goods or services paid as consideration, exceeds two crore rupees.

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

Bank Promotion-Online Coaching - IBS brings you the perfect blend of Online Coaching and interactive live sessions through its pantheon of highly experienced faculty who fit well into a multi-cultural environment. The collective experience of our faculties exceeds 1000 years.



Inquisitively Speaking

1) As per latest RBI guidelines, all eligible borrowers irrespective of sector (not restricted sectors) can raise up to _____ limit of ECB under the automatic route.

- a. \$500 million
- b. \$750 million
- c. \$250 million
- d. \$100 million

2) As per RBI framework for facilitating Small Value Digital Payments in Offline Mode, the upper limit of an offline payment transaction shall be ___ and the total limit for offline transactions on a payment instrument shall be ₹ _____ at any point in time.

- a) ₹100,2,000
- b) ₹150,1000
- c) ₹200, 2,000
- d) ₹500,5000

3) As per the latest Guidelines, the taxpayers will be allowed to file an updated tax return in case they have not disclosed certain income to tax while filing the first return. They can update their income tax returns (ITR) within _____ from the end of relevant assessment year by paying an additional tax.

- a) one year
- b) two years
- c) three years
- d) None of the above

4) As per the Asset Reconstruction Companies (Reserve Bank) Guidelines "Planning period" means a period not exceeding _____ months allowed for formulating a plan for realization of financial assets acquired for the purpose of reconstruction.

- a) One
- b) Three
- c) Six
- d) Twelve

Answer Key

- 1. (b) \$750 million
- 2. (c) ₹200, 2,000
- 3. (b) two years
- 4. (c) Six

Stretch n Speak

CBIC	Central Board of Indirect Taxes & Customs
CCEA	Cabinet Committee on Economic Affairs
CDSL	Central Depository Services Limited
CFPI	Consumer Food Price Index
DeFI	Decentralized Finance (on cryptos)

IBPS Online & Offline Coaching - *IBS is well-positioned to orient career aspirants to face Bank Selection Examination at all grades – Clerk, Probationary Officer and Specialist Officer in On-Line mode. We have rolled out the sessions in English, Hindi, Malayalam and other vernacular languages.*