

## **DAILY NEWS DIGEST BY BFSI BOARD**

**16 January 2026**



### **ECONOMY**

**India-EU FTA close to finish; sensitive agri goods to stay out:** Sensitive goods in agriculture will be kept out of the free trade agreement between India and European Union Free Trade Agreement (FTA), a senior government official said, as the two sides move closer to sealing the long-pending pact. This is in line with India's traditional stance in trade negotiations, as the country has similarly excluded key farm products and dairy from recently concluded trade deals with the United Kingdom and New Zealand. Separately, Commerce Secretary Rajesh Agrawal on January 15 said India and the EU have fully closed 20 of the 24 negotiating chapters.

**(Moneycontrol)**

**Diversification beyond US helps India keep export volumes stable:** India's strategy to diversify its export markets beyond the United States has helped keep overall shipment volumes steady, even as trade headwinds emerged after higher US tariffs announced in late August. India's merchandise exports rose to \$38.51 billion in December from \$38.13 billion in November, while imports increased to \$63.55 billion from \$62.66 billion, official data showed. The modest rise in exports comes amid a calibrated push by the government and industry to deepen trade ties with markets such as China, Russia, the Middle East and parts of Europe, supported by incentives and a pipeline of proposed free trade agreements, including with the European Union. Merchandise exports to the United States edged down to \$6.89 billion in December from \$6.92 billion in November. However, exports to the U.S. rose 9.75% year-on-year to \$65.88 billion in the first nine months of the financial year.

**(Business Today)**

**December trade deficit widens as imports surge 8.8%, export growth modest at 1.86%:** India's goods trade deficit widened significantly in December 2025 to \$25.04 billion from \$20.63 billion in the previous December as exports increased 1.86 per cent (year-on-year) to \$38.51 billion, while imports grew at a higher 8.8 per cent to \$63.55 billion, per data released by the Commerce Department. Exports to the US declined a marginal 1.83 per cent in December 2025 to \$6.89 billion amid the 50 per cent tariffs applied by Washington on most Indian exports in August-end.

*(Business Line)*

## BANKING & FINANCE



**Mutual Funds seek parity for debt schemes:** The mutual fund industry is seeking the same tax status for debt schemes as it exists for equities in the upcoming Union Budget. The industry believes that since the government is trying to deepen the bond market, it would be a strong statement to attract retail money into debt schemes. Currently, capital gains on debt mutual funds are taxed at marginal slab rates (10%-30%+ cess) regardless of the holding period. The industry is asking for parity with listed bonds, where long-term capital gains are taxed at 12.5% after a 12-month holding period.

*(Financial Express)*

**Loan-deposit ratio to stay high, banks set to go for CDs, bonds:** Banks seem to have made a big push in growing business in the last fortnight of the third quarter (Q3FY26), with RBI data showing substantial jump in deposits and credit. In the fortnight ended December 31, 2025, deposits of all scheduled banks soared by ₹7,34,623.39 crore. Loans, too, jumped by ₹6,32,756.50 crore. In the preceding fortnight ended December 15, 2025, deposits of all scheduled banks shrunk by ₹1,66,460 crore even as loans went up by ₹1,08,415 crore.

*(Business Line)*

### **AI-based financial scams: Set a family code word for emergency requests:**

Artificial intelligence (AI) is rapidly changing the nature of financial fraud. What once depended on generic scripts and human effort now runs on scale, speed and hyper-personalisation. That combination is making scams cheaper to run, harder to spot, and broader in impact, making it essential for people to be aware and on guard. The biggest shift is personalisation at an industrial scale. Scammers now use AI to analyse public information and social media patterns to understand how people communicate and behave. Large language models scrape a victim's online footprint and tailor outreach to the maximum extent possible. "AI enables criminals to convincingly replicate an individual's voice, likeness and written communication style using publicly available data.

**(Business Standard)**

### **LIC demerger, PSU insurer divestment drive 'Insurance for All by 2047':**

Splitting and unbundling the Life Insurance Corporation of India (LIC) to improve efficiency, along with divestment of public sector general insurers, are among the key recommendations of an expert panel from the Indian Institute of Management Kozhikode (IIMK). These suggestions emerged from two days of deliberations by the Life Insurance and General Insurance Councils, aimed at achieving the objective of Insurance for All by 2047. The report, submitted to the General and Life Insurance Councils and the Insurance Regulatory and Development Authority of India (Irdai), noted that achieving this goal will require technological leapfrogging, capital deepening, and strengthened institutional trust. According to the report, LIC enjoys a virtual monopoly, which disrupts competition in the sector. In 2023-24, LIC accounted for roughly 57 per cent of life insurance premium collections and 87 per cent of non-linked insurance premium renewals. It also represented 70 per cent of new policies issued, 59 per cent of new business, and 71.8 per cent of assets under management.

**(Business Standard)**

### **AIBOC flags security lapses, seeks curbs on bank officers' election duties:**

The All India Bank Officers' Confederation (AIBOC) on Thursday raised serious concerns over the deployment of public sector bank officers for election-related duties in West Bengal, citing security risks, operational disruption and alleged discriminatory treatment of PSU bank staff. In a representation to the Election Commission of India

(ECI) and the Department of Financial Services (DFS), AIBOC objected to the deployment of bank officers as electoral roll micro observers (ERMOs) for the Special Intensive Revision (SIR) exercise being conducted in the state between December 26, 2025, and February 14, 2026. The period coincides with the crucial quarter-end and year-end banking cycle. AIBOC said the prolonged diversion of officers from core banking work would adversely impact regulatory compliance, audit processes, accounting closures and the achievement of statutory and business targets, ultimately affecting customer service and the implementation of government schemes.

**(Business Standard)**

## INDUSTRY OUTLOOK



**India-US trade deal 'very near' as both sides eye breakthrough:** India and the U.S. are very close to a trade agreement and it would materialise when both sides are ready, Commerce Secretary Rajesh Agrawal said Thursday. The talks between India and US had never broken down and both sides remained engaged, he added. "In the last week of December, Commerce and Industry Minister Piyush Goyal held a virtual meeting with US Trade Representative Jamieson Greer. Negotiating teams are talking virtually on issues that are still pending," Agrawal said.

**(Financial Express)**

**Kerala emerges ahead of larger states in personal EV adoption in 2025:** Kerala's middle class households mounted more charging boxes than ever before in 2025, as the state saw the highest share of personal four-wheeler electric vehicles (EV) adoption among the 10 states with EV sales. Kerala is one of the first states to come out with an EV policy way back in 2019. Not just that, the state is the joint highest in terms of overall personal EV adoption (including two-wheelers and four-wheelers, among top states) along with Karnataka. The penetration of EVs versus traditional internal combustion engine (ICE) vehicles is also one of the highest in Kerala, standing second only to Delhi in 2025.

**(Business Standard)**



## REGULATION & DEVELOPMENT

**Revised market categorization framework coming soon:** SEBI is close to notifying a revised market categorization framework but had to temporarily hold back the release to incorporate industry feedback, SEBI's Manoj Kumar said on Thursday at the AIBI conference in Mumbai. In 2017, SEBI introduced major Categorization and Rationalization of Mutual Fund Schemes, standardizing categories like Equity, Debt, Hybrid, Solution-Oriented, and Other Schemes, and implementing a one-scheme-per-category limit for fund houses, plus defining Large, Mid, and Small-cap stocks for clarity and uniformity in equity fund mandate.

*(Moneycontrol)*

**Centre to soon frame rules to integrate MGNREGA workers into VB-G RAM G:** The central government will soon frame rules for seamless transition of existing MGNREGA workers into the newly enacted VB-G RAM G (Viksit Bharat Guarantee for Rozgar and Ajeevika Mission Gramin) scheme. The rules could include accepting current e-KYC-enabled MGNREGA job cards in the new regime, and same job sites for work, senior officials said on Thursday. The new scheme, which will soon be notified by the Centre, will give states six months' transition time. The rules for normative allocation of funds to the states will also be notified soon, one of the officials explained.

*(PiB)*



## **FINANCIAL TERMINOLOGY**

### **FOREIGN TRADE ZONE**

- A Foreign Trade Zone (FTZ), also known as a free trade zone, is a designated area within a country where goods can be imported, stored, processed, or manufactured, and then re-exported, without being subject to customs duties or other regulations until they enter the country's domestic market.
- FTZs are geographically defined areas within a country that are treated as if they are outside the country's customs territory for the purpose of trade.
- The primary goal of FTZs is to encourage international trade and investment by providing businesses with a duty-free environment for certain activities.



## RBI KEY RATES

Repo Rate: 5.25%

SDF: 5.00%

MSF & Bank Rate: 5.50%

CRR: 3.00%

SLR: 18.00%

Fixed Reverse Repo: 3.35%

## FOREX (FBIL 1.30 PM)

INR / 1 USD : 90.2016

INR / 1 GBP : 121.1997

INR / 1 EUR : 105.0482

INR /100 JPY: 56.6200

## EQUITY MARKET

Sensex: 83382.71 (-244.98)

NIFTY: 25665.60 (-66.70)

Bnk NIFTY: 59580.15 (+1.35)

### Courses conducted by BFSI Board

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- ❖ **Certificate Course on Credit Management of Banks**
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- ❖ Guidance Note on the Internal Audit of General Insurance Companies.
- ❖ BFSI Chronicle (quarterly issue of BFSIB)
- ❖ Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)
- ❖ Handbook on Central Bank Digital Currency (CBDC)
- ❖ Monograph on Climate Risk and Green Finance-Banking Sector-International Practices and Indian Perspective (2nd Series)
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## TEAM BFSIB

### Banking, Financial Services & Insurance Board

### The Institute of Cost Accountants of India (ICMAI)

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