



**THE INSTITUTE OF
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DAILY NEWS DIGEST BY BFSI BOARD

February 27, 2023

G20 FINANCE MEETING HIGHLIGHTS: During the press briefing on the outcomes of first meeting of G20 finance ministers and central bank governors under India Presidency in Bengaluru, FM said, "Although there was no communique but a Chair's Summary, I still think we have made good progress," adding that discussions happened in a very cordial manner. The key points are;

- With regards to debt, there were issues around transparency of debt and whether multilateral institutions should be part of any debt restructuring. China had a different view.
- Russia and China took a position that finance ministers and central bank governors should not get into geo-political issues.
- There is now wide recognition and acceptance of the fact that crypto assets involve great risks to overall financial stability and they need to be looked at. Going forward, there is an effort to develop an international framework for them. The IMF and FSB will work on a synthesis paper. This paper will form the basis of future international architecture on crypto.
- One of the successes of the negotiations was to arrive at a common position on the language on debt.
- All G20 finance ministers and central bank governors agreed with 15 of the 17 paragraphs of the summary, with the two contentious portions being paragraphs 3 and 4, which were adapted from the G20 Bali Leaders' Declaration.
- Finance ministry officials and central bankers from G20 countries are seemingly in agreement when it comes to the regulation of crypto assets, with a complete ban on them also on the table.

(Moneycontrol)

FATF PUTS SOUTH AFRICA, NIGERIA ON 'GREY LIST': Global anti-money laundering watchdog FATF on Friday added South Africa and Nigeria to its "grey list" of countries for failing to combat money laundering and terrorism financing, in a set back to Africa's two largest economies. The decision of the Paris-based Financial Action Task Force (FATF) indicates to global banks, financial institutions and investors that these countries are not fully compliant with anti-money laundering and terrorist financing standards.

(Moneycontrol)

WORLD BANK PROMISES 'CONCESSIONALITY' IN DEBT RESTRUCTURING: The World Bank will "provide as much concessionality to the debt treatment" for distressed economies as possible, its president told a meeting with the International Monetary Fund, India and other creditor nations on Saturday. "The World Bank is committed to providing net positive



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flows in a way that maximizes concessionality in the restructuring process," David Malpass said in his remarks at the Global Sovereign Debt Roundtable in India's Bengaluru.

(Economic Times)

PFRDA MANDATES UPLOADING OF KYC, WITHDRAWAL FORMS FROM APRIL

1: Pension regulator PFRDA has taken the next big step to ensure that NPS subscribers get timely payment of annuity income. It has now stipulated that from April 1 as many as four specified documents (basically withdrawal and KYC documents) would have to be mandatorily digitally uploaded in the user interface of the central record keeping agency (CRA). From the current physical mode, where documents are usually delivered to nodal offices and PoPs, the entire process will now flow through electronic mode.

(Business Line)

INDIA INC'S EXTERNAL BORROWINGS DOWN 15% IN 9M FY23: India Inc's overseas borrowing has declined by 15 per cent year-on-year in the first nine months of the current fiscal as rising global interest rates and rupee depreciation made this borrowing source less attractive for domestic companies. According to RBI data, Indian corporates raised \$19.76 billion through external commercial borrowings (ECBs) between April-December 2022, compared with \$23.82 billion in the year-ago period.

(Business Line)

IOC TO SET UP GREEN HYDROGEN PLANTS AT ALL REFINERIES; LINES UP RS 2 LAKH CR FOR NET ZERO BY 2046:

India's top oil firm IOC will set up green hydrogen plants at all its refineries as it pivots a Rs 2-lakh crore green transition plan to achieve net-zero emissions from its operations by 2046, its chairman Shrikant Madhav Vaidya said. Indian Oil Corporation (IOC) is remodelling business with an increased focus on petrochemicals to hedge volatility in the fuel business, while at the same time turning petrol pumps into energy outlets that offer EV charging points and battery swapping options besides conventional fuels as it looks to make itself future-ready, he said. The company intends to expand its refining capacity to 106.7 million tonnes per annum from 81.2 million tonnes as it sees India's oil demand climbing from 5.1 million barrels per day to 7-7.2 million bpd by 2030 and 9 million bpd by 2040.

(Financial Express)

NOKIA LAUNCHES NEW LOGO TO SIGNAL STRATEGY SHIFT FROM PHONE BUSINESS:

Finnish 5G equipment maker Nokia Oyj has redesigned its logo to stop people from associating it with mobile phones a business it left almost a decade ago. The brand revamp, comes alongside a set of new strategic pillars intended to enable faster growth as the world increasingly adopts fifth-generation mobile technologies. The company want to launch a



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new brand that is focusing very much on the networks and industrial digitalization, completely different from the legacy mobile phones.

(Mint)

BANK CAPITAL NEEDS MAY RISE 15-20% BASED ON DRAFT RBI MARKET

RISK NORMS: The Reserve Bank of India's (RBI's) recently released draft guidelines on minimum capital requirements provide more flexibility to banks for treatment of certain instruments, but lenders may need 15-20 per cent more in capital for market risk, bank officials said.

(Business Standard)

JACK MA-BACKED ANT GROUP PLANS TO PARE STAKE IN Paytm:

Ant Group Co. is considering selling some of its shares in the operator of Indian financial technology firm Paytm to keep its holding within a required threshold, according to people familiar with the matter. The Chinese fintech giant has been discussing options to reduce its stake in One 97 Communications Ltd. after its share percentage increased passively due to share buybacks, the people said, requesting not to be identified because the matter is private.

(Business Standard)

DIGITAL ECONOMY CAN CONTRIBUTE 25% GDP, REACH \$7 TRN BY FY29: K

V KAMATH: Noted banker KV Kamath, who now chairs the National Bank for Financing Infrastructure and Development (NaBFID), expects the digital sector to contribute a quarter of the incremental GDP by the time the economy becomes a USD 7 trillion giant by FY29. Currently, the contribution of the digital economy is a low 4 per cent, whereas it is as much as 40 per cent in China. The government and planners see the economy becoming the third largest in the world by FY29, overtaking Japan, with a GDP of USD 7 trillion from the present USD 3.3 trillion. The digital infrastructure, e-commerce and other digital payments and services segments can be the country's biggest growth-driver and can contribute as much as 25 per cent of the incremental GDP by the time India becomes a USD 7-trillion economy by FY29. Currently, the share is a low 4 per cent, Kamath told PTI in an interaction over the weekend.

(Business Standard)

FinMin PUSHES PSBs TO ENHANCE PROCUREMENT VIA GeM TO RS 10,000

CR IN FY24: The Department of Financial Services in the Ministry of Finance is pushing public sector banks (PSBs) to enhance their procurement through the Government e-Marketplace (GeM) portal to Rs 10,000 crore in FY24, as it saves cost and brings transparency in the procurement procedure, a senior official said. The target for the current financial year is Rs 6,000 crore and they are on track to achieve it. The PSBs have procured Rs 5,000 crore



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worth of Gross Merchandise Value from the portal,” he added. Canara Bank and Punjab National Bank are leading performers among PSBs in procurement through the GeM portal. GeM is an online platform for public procurement in India, launched in 2016 by the Ministry of Commerce and Industry. Its objective is to create an inclusive, efficient, and transparent platform for buyers and sellers to carry out procurement activities in a fair and competitive manner.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

ONE PERSON COMPANY

- ❖ A new concept has been introduced in the Company's Act 2013, about the One Person Company (OPC). One Person Company (OPC) is a company incorporated by a single person. The director and member can be the same person. Thus, one person company means one individual who may be a resident or NRI can incorporate his/her business that has the features of a company and the benefits of a sole proprietorship.
- ❖ Ministry of Corporate Affairs has amended certain rules w.e.f OPCs. Previously NRIs were not allowed to incorporate OPCs. Now any natural person, who is an Indian citizen, whether resident in India or otherwise would be allowed to form an OPC. For being considered as a resident in India, the residency period has been proposed to be reduced to 120 days from 182 days for NRIs.
- ❖ The limitation of Paid-up capital & turnover previously applicable for OPCs (paid up share capital of fifty lakhs rupees and average annual turnover during the relevant period of two crore rupees) has been done away with so that there are no restrictions on the growth of OPCs in terms of their paid-up capital & turnover.
- ❖ As per the latest amendments, Conversion of One Person Company into a Public company or a Private company shall be permitted anytime. A One Person company may be converted into a Private or Public Company other than a company registered under section 8 of the Act, after increasing the minimum number of members and directors to two or minimum of seven members and three directors as the case may be.
- ❖ There are some advantages for OPCs such as; easy access to credit, limited compliance, easy incorporation etc.



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RBI KEY RATES

Repo Rate: 6.50%
SDF: 6.25%
MSF & Bank Rate: 6.75%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 82.7432
INR / 1 GBP : 99.4937
INR / 1 EUR : 87.7045
INR /100 JPY : 61.4900

EQUITY MARKET

Sensex: 59463.93 (- 141.87)
NIFTY: 17465.80 (- 45.50)
Bnk NIFTY: 39909.40 (-92.15)

Courses conducted by BFSI Board

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- ❖ **Certificate Course on Treasury and International Banking**
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- ❖ **Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).**
- ❖ **Guidance Note on the Internal Audit of General Insurance Companies.**
- ❖ **BFSI Chronicle (quarterly issue of BFSIB)**

To purchase please visit BFSIB portal of ICAI

CMA Chittaranjan Chattopadhyay

Chairman,

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The Institute of Cost Accountants of India

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