



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
www.icsi.edu



February 22, 2018

Info Capsule

ACCEPTANCE OF BANK GUARANTEES BY CLEARING CORPORATIONS IN INTERNATIONAL FINANCIAL SERVICES CENTRE (IFSC)¹

- 1) SEBI vide circular no. SEBI/HO/MRD/DSA/CIR/P/2016/125 dated November 28, 2016, specified the guidelines for functioning of Stock Exchanges and Clearing Corporations in IFSC.
- 2) Based on the feedback received from the clearing corporations, it has been decided to amend para 2.6.3 of the above-mentioned SEBI circular dated November 28, 2016, to read as under -
2.6.3. Eligible collateral: Clearing corporations in IFSC shall be permitted to accept cash and cash equivalents (which shall include major foreign currencies as may be decided by the clearing corporation from time to time, term deposit receipts and bank guarantees issued by bank branches located in IFSC), Indian securities held with foreign depositories, foreign securities including units of liquid mutual funds and gold, as eligible collateral for trades in all product categories. However, cash and cash equivalents shall form at least 50% of the total liquid assets at all times.
- 3) Clearing Corporations are directed to:
 - a) Take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;
 - b) bring the provisions of this circular to the notice of their members and also disseminate the same on its website; and
 - c) communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Report.
- 4) This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market.
- 5) This circular is available on SEBI website at www.sebi.gov.in, under the category "Circulars".

¹ Available at: <https://www.sebi.gov.in/legal/circulars/feb-2018/acceptance-of-bank-guarantees-by-clearing-corporations-in-international-financial-services-centre-ifsc-37906.html>

OPENING OF ONLINE CUSTOMER SURVEY BY INDIA POST²

Since inception in 1854, India Post has been serving its citizens by catering to their basic requirements of communications. Over the years, it has evolved by providing varied services to Indian Citizenry in terms of Mail Services (both domestic and international), Money remittances (both domestic and international), Small Savings, Philately, Securing lives, Retail Services and Bill Payments etc.

As plethora of services are being provided by the India Post, it is imperative to know the nerve of the customer, how(s) he feels regarding the services provided, where the services need improvement and to change the customer orientation from customer satisfaction to customer delight.

In this connection, an Online Customer Feedback Survey is conceived wherein a customer can give his feedback or opinion on the services rendered by India Post. This Customer Feedback Survey will be for three months from 16.02.2018 to 15.05.2018 and available to public through India Post Website (www.indiapost.gov.in). Any citizen of the country can give feedback on the quality of service provided by India Post. The customer can also provide his comments/suggestions, if he so desires.

On the basis of the feedbacks received from the survey, suitable inferences will be drawn upon areas to be improved not only for a particular service but will also help in identifying the lagging post office.

PRESS RELEASE ON USE OF SWIFT³

1. Reserve Bank of India (RBI), as part of its ongoing efforts for strengthening of the supervisory framework in the country, has been issuing necessary instructions to banks from time to time on a variety of issues of prudential supervisory concern, including the management of operational risks inherent in the functioning of banks. The risks arising from the potential malicious use of the SWIFT infrastructure, created by banks for their genuine business needs, has always been a component of their operational risk profile. RBI had, therefore, confidentially cautioned and alerted banks of such possible misuse, at least on three occasions since August 2016, advising them to implement the safeguards detailed in the RBI's communications, for pre-empting such occurrences. Banks have, however, been at varying levels in implementation of such measures.
2. In the wake of SWIFT-related fraud involving significant amount, reported recently by Punjab National Bank, RBI has reiterated its confidential instructions and mandated the banks to implement, within the stipulated deadlines, the prescribed measures for strengthening the SWIFT operating environment in banks.
3. Further, in view of large divergences observed in asset classification and provisioning in the credit portfolio of banks as well as the rising incidence of frauds in the Indian banking system, it has been decided to constitute an Expert Committee under the chairmanship of Shri Y H Malegam, a former member of the Central Board of Directors of RBI, to look into the reasons for high divergence observed in asset classification and provisioning by banks vis-à-vis the RBI's supervisory assessment, and the steps needed to prevent it; factors leading to an increasing incidence of frauds in banks and the measures (including IT interventions) needed to curb and prevent it; and the role and effectiveness of various types of audits conducted in banks in mitigating the incidence of such divergence and frauds.

² Available at: <http://www.pib.nic.in/PressReleaseDetail.aspx?PRID=1520999>

³ Available at: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=43181

4. The members of the committee will be: Shri Bharat Doshi, Member, Central Board of Directors, RBI; Shri S Raman, former Chairman and Managing Director, Canara Bank and former Whole-Time Member, SEBI; and Shri Nandkumar Saravade, Chief Executive Officer, Reserve Bank Information Technology Pvt. Ltd (ReBIT). Shri A K Misra, Executive Director, RBI will be the Member-Secretary of the committee.

Team ICSI

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