



IBS VIGYAN

VISIONING BANKERS



Evangelistically Speaking

Dear Stakeholders,

In this fourteenth edition, let me preen myself along with my team at the éclat the career aspiring banking professionals who benefitted from our coaching have achieved in the Certificate examinations of IIBF that were held early this month. I chose the word “éclat” with purpose - it has been success of a high order. When IIBF’s all India pass percentages are at the lowest rung of double digits, our success rate has been at the upper band of the double-digit span, with significant number achieving high distinction grade marks across all subjects. Their thanksgiving messages are replete with adoration for our principles of pedagogy which I had delineated in an earlier month. Most of them were able to cope with the demanding questioning methodology of a professional certification exclusively through our live sessions and curated contents, as they could not find time to go through a text material along with their professional life. This validates the hard efforts put in by my team, rafted on our “SMILE” approach.

Looking forward to a meaningful and sustaining engagement.

Sincerely Yours

Sathesh Kumar. S
Managing Director

Reflectively Speaking

I am a regular reader of your monthly magazine. It is as enthralling as much as it is empowering me with the knowledge. In the fourth pillar I would expect some additional coverage on new subject, like Payment Banks, Small Banks, NPCI.

A wish list to Vigyan team, take one subject and cover in full details, (Retail Direct Investment in G Sec, Sovereign Bonds). However, target audience being empowering students, my wish list maybe out of context perhaps. Also, a kind of " Rip Van Winkle" segment to compare and contrast banking practices "then and now "

Pushpa Raghavan, Retd AGM as Head Market Risk Division, Federal Bank

I had considered passing CAIIB as insurmountable. The 500 plus pages of textbooks put me off. Thanks to the precision packed sessions from bunch of eminent and spirited faculties and their continuous off-line engagement with us, I could enlighten myself about the concepts and pass the exam too. My sincere compliments to the faculties and the supportive administrative team.

Sathi Manikandan, State Bank

The continuous prodding by the faculties to excel in the examinations kept me charged up and clear CAIIB in style. Thanks, team IBS.

Sreeja, Kerala Bank

Curated Cube

A legislative empowerment through the Payment and Settlement Systems Act, 2007 and the regulator's nudge resulted in National Payments Corporation of India (NPCI) rolling out a slew of products that have transformed the digital payment ecosystem. The RuPay is one such product launched in 2012 as a domestic card payment network. India joined USA, Japan, China, Singapore and Brazil to be sixth nation to operate a domestic card payment network. The major benefit of this initiative is that the transaction data and customer data relating to all card-based payments reside within the country. RuPay has been able to jostle the space dominated by Visa and Mastercard and position as a domestic price setter, with reduced transaction cost to all stakeholders. As per a Reuters report, RuPay has garnered 20% share of the domestic card payments market, with Visa having 44% and Mastercard 36%.

RuPay has gained international acceptance among ten countries so far. NPCI has floated a subsidiary exclusively for the global payment network. In order to enhance its global reach, it is considering joining NEXUS, the Bank for International Settlements (BIS) blueprint for a 24x7 real time cross border payments. This has been developed by NPCI jointly with Monetary Authority of Singapore. Nexus would link up digital payment systems of more than sixty nations as a world wide web of payments.

By issuing chip cards, RuPay has been able to offer contactless transaction processing and introduce offline wallet-based mechanism to enhance rural reach and push inclusive finance. It employs Near Field Communication (NFC) technology to establish a secure connection with contactless card reader to transmit payment related data. The progression to tokenization enables card data to be on-boarded on smartwatches and other IOT enabled devices.

As a complementary effort, NPCI has launched Bharat eCommerce Payment Gateway (BEPG), a new ecommerce system that switched over to URL redirection approach from iFrame based methodology. Simultaneously it has introduced a QR code-based interface, BharatQR. It has three constituents:

1. Acquirer – the merchant
2. Issuer – Consumer on-boarding app
3. Transaction processing engine – NPCI-end transaction routing engine.

This translates into

- a) Low-cost infrastructure
- b) Remote management of merchants and customers
- c) Interoperable QR Code
- d) Push based transactions
- e) Do away with charge slip copy for merchant

To be continued....

(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 JULY 2022 / CAIIB on 01 AUG 2022

HINDI BATCH - JAIIB on 25 JULY 2022 / CAIIB on 01 AUG 2022

FOURTH PILLAR

LENDING TO NBFC TO BE CONSIDERED UNDER PRIORITY SECTOR

Bank credit to registered NBFC (other than MRI) for on-lending will be considered for classification under P.S. as under: (Subject to the cap of overall limit of 5% of an individual bank's total Priority Sector Lending)

Agriculture – Term lending component will be allowed upto ₹10 lakh per borrower.

Micro & Small Enterprise – Upto ₹20 Lakh per borrower.

INCREASE OF LIMIT OF INDIVIDUAL HOUSING LOAN BY COOPERATIVE BANKS

RBI has decided to increase the existing limits on individual housing loans by Cooperative Banks. (Last revised in 2009). This revised limit is subject to prescribed Exposure limit for the category of Co-op Bank.

Bank Category	Existing Limit per Borrower	Revised Limit per Borrower
Tier 1 UCB	₹30 Lakh	₹60 Lakh
Tier 2 UCB	₹70 Lakh	₹140 Lakh
RCB (NW<₹100 Crore)	₹20 Lakh	₹50 Lakh
Other RCB	₹30 Lakh	₹75 Lakh

NEW RULES FOR ISSUANCE OF CREDIT CARDS BY BANKS

Fully CBS enabled SCBs (Other than RRBs) with NW of ₹100 Crore and above are now permitted to undertake Credit Card business either independently or with tie-up arrangement.

Card-issuers shall seek OTP based consent from the cardholder for activating a credit card if it is not activated within 30 days by cardholder. In case of no consent, card to be closed without any cost to the customer within 7 working days from date of seeking confirmation from the customer.

In case of a renewed or replaced card, the closure of an inactivated card shall be subject to payment of all dues by the cardholder.

(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 25 JULY 2022 / CAIIB on 25 JULY 2022

TELUGU BATCH - JAIIB on 01 AUG 2022 / CAIIB on 08 AUG 2022



INQUISITIVELY SPEAKING

1) A dedicated Ink manufacturing unit of Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) named _____ has been set up in Mysuru for achieving self-reliance in banknote production ecosystem in India.

- a) Varnika b) Mudran
c) Printism d) Go Green Printing

2) The Net Owned Fund (NOF) for Assets Reconstruction Company shall be minimum of _____ on an ongoing basis.

- a) Rs.50 crore b) Rs.75 crore
c) Rs.100 crore d) Rs. 500 crore

3) In order to further deepen the reach and usage, RBI has proposed to allow linking of credit cards to _____. To start with Rupay credit cards will be enabled with this facility. This arrangement is expected to provide more avenues and convenience to the customers in making payments.

- a) Unified Payment Interface
b) Payments Infrastructure Development Interface.
c) National Payment Corporation of India
d) Payments Technology & Infrastructure Interface.

As per the RBI guidelines, Card-issuers shall ensure that the telemarketers engaged, comply with directions on the subject issued by the TRAI while adhering to guidelines issued on unsolicited commercial communications. The card-issuer's representatives shall contact the customers only between _____:

- a) 8 am to 5 pm b) 9 am to 5 pm
c) 10:00 am to 7 pm d) 10:00 am to 8 pm.

ANSWER KEYS

(1) a (2) c (3) a (4) c

Stretch n Speak

WAVE – World of Advance Virtual Experience (Pre-approved Personal Loan project of Indian Bank)

ICCW – Interoperable Card-less Cash Withdrawal

PIDF – The Payments Infrastructure Development Fund

FRRR – Fixed Rate Reverse Repo

SDF – Standing Deposit Facility

JAIIB/CAIIB NEW BATCHES - DATE OF COMMENCEMENT

TAMIL BATCH - JAIIB on 25 JULY 2022 / CAIIB on 01 AUG 2022
KANNADA BATCH - JAIIB on 01 AUG 2022 / CAIIB on 08 AUG 2022

