



NOVEMBER' 2019

FEDAI NEWS LETTER

Foreign Exchange Management (Deposit) Regulations, 2019 (3rd Amendment)

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11739&Mode=0>

Person resident outside India having general business interest can open SNRR Account in India. With a view to promote the usage of INR products by persons resident outside India, it has been decided, in consultation with the Government of India, to expand the scope of SNRR Account by permitting person resident outside India to open such account for ECBs in INR; Trade Credits in INR; Trade Payment (Export/ Import) Invoiced in INR; and Business related transactions outside International Financial Service Centre (IFSC) by IFSC units at GIFT city. The account will be maintained with bank in India (outside IFSC).

The restriction of seven years shall not be applicable to SNRR Accounts opened for these specific purposes.

Indian bank may, at its discretion, maintain separate SNRR Account for each category of transactions or a single SNRR Account for a person resident outside India engaged in multiple categories of transactions provided it is able to identify/segregate and account them category-wise.

Necessary amendments have also been made in FEMA 14 (R) **Manner of Receipt and Payment**, amendment → <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11737&Mode=0>

RBI Reorganises its Regulation and Supervision Depts.

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=48529

To have a holistic approach to supervision and regulation of the regulated entities so as to address growing complexities, size and inter-connectedness as also to deal more effectively with potential systemic risk that could arise due to possible supervisory arbitrage and information asymmetry, it has been decided to integrate the supervision function comprising of three departments namely Department of Banking Supervision, Department of Non-Banking Supervision and Department of Co-operative Bank Supervision into a unified Department of Supervision and similarly regulatory functions comprising of Department of Banking Regulation, Department of Non-Banking Regulation and Department of Cooperative Banking Regulation into a unified Department of Regulation with effect from November 01, 2019.

RBI Survey on Computer Software and IT Enabled Services Exports 2018-19 released

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=48664#T1

RBI released the results of the 2018-19 round of its annual survey containing information on Software Services Export from India (Industry-wise distribution of ITES/BPO, Organisation-wise distribution, Modewise export and Software Business by Foreign Affiliates of Indian Companies).

ICC Draft - Uniform Rules for Digital Trade

ICC Drafting Group has circulated the first draft of the Uniform Rules for Digital Trade (URDT). The objective of the URDT is to develop a high-level framework outlining obligations, rules and standards for the digitalisation of trade transaction, adopting agnostic approach toward technology to be used. FEDAI invited comments and shall submit its view in consultation with member banks to ICC India.

FEDAI workshops & training activities in November 2019

5 days Orientation Workshop held during the month –

Bank of Baroda, Delhi from 4-8th Nov. 2019

Axis Bank, Kolkata 18-22nd Nov.2019

Punjab and Sind Bank, Delhi 25-29th Nov 2019

Special Trainings -

Bank of Baroda, Gandhinagar from 14-15th Nov. 2019 on “**Export Finance**”

FEDAI One Day Special Workshop on LRS 6th Nov. 2019

Forthcoming Workshops - 5 Day Orientation Workshop

South Indian Bank STC, Bangalore - 9-13thDec. 2019;

IOB, Chennai- 16-20th Dec.2019 ;

Upcoming Market Events

- Fourth Bi-monthly RBI Monetary Policy Committee Meeting; 3rd - 4thDec. 2019
- FOMC Meeting – 10th – 11th Dec. 2019

Market News

- Bank Bureau Board recommended name of Sanjiv Chadha for Bank of Baroda, L. V. Prabhakar for Canara Bank and Atanu Kumar Das for Bank of India for the position of MD & CEO
- RBI on Nov. 20, 2019, superseded the Board of Directors of Dewan Housing Finance Corporation Limited (DHFL) owing to governance concerns and defaults by DHFL in meeting various payment obligations and appointed Shri R. Subramaniakumar, ex-MD and CEO of Indian Overseas Bank as the Administrator.

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Excerpts From



10th R.K. Talwar Memorial Lecture -2019

By

Mr. Sanjeev Sanyal

Principal Economic Adviser,



Financial systems are complex adaptive systems that are constantly evolving in an unpredictable world. This is just as much a world of indeterminable uncertainty as of quantifiable risk. The introduction of rigid and prescriptive regulations aimed only at risks are not merely inadequate but may have harmful unintended consequences from an uncertainty management perspective. Rather than stumble into ever more stringent regulation perhaps the time has come to take a wider view of the matter. Since we live in a world that is complex, evolving, non-deterministic and unpredictable, we cannot make policies and regulations that make a “pretense of knowledge”. There is no escape from active management/supervision, skin-in-the-game, ex post resolution and old fashioned values such as corporate culture.