



November 2020 FEDAI NEWS LETTER

Market Trading Hours - Extension

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50604

With the graded roll-back of the lockdown and easing of restrictions on movement of people and functioning of offices, RBI decided to restore trading hours for regulated markets in a phased manner. Accordingly, with effect from November 9, 2020, the trading hours for the foreign exchange market in India revised from 10.00-14.00 hrs. to 10.00 am-15.30 hrs.

Easing of Reporting requirements under FEMA 1999

https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=11994

With a view to improve the ease of doing business and reduce the cost of compliance, the existing forms and reports prescribed under FEMA, 1999, were reviewed by the Reserve Bank. Accordingly, it was decided to discontinue the 17 returns/reports with effect from November 13, 2020.

Branch Office (BO) / Liaison Office (LO) / Project Office (PO) of foreign law firms in India

https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=11997

RBI vide its circular A.P. (DIR Series) Circular No. 07 dt. Nov 23, 2020 announced that no fresh permissions/ renewal of permission shall be granted by the Reserve Bank/AD Category-I banks to any foreign law firm for opening of BO/PO/LO or other places of business in India, for the purpose of practicing legal profession, till the policy is reviewed based on, among others, final disposal of the matter by the Hon'ble Supreme Court.

Compounding of Contraventions under FEMA, 1999

https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=11995

In consideration of enforcement of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 notified by Government of India and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 i.e. RBI Notification No. FEMA.395/2019-RB; the compounding powers stand delegated to the Regional Offices/ Sub Offices of the Reserve Bank to compound the certain contraventions.

Rupee Derivatives (Guaranteed Settlement) Segment

https://www.ccilindia.com/Documents/whats_new/CM_communication%20to%20members.pdf

RBI accorded their approval for commencement of Clearing Member (CM) Structure in the Rupee Derivatives Guaranteed Segment for trades referenced to the MIBOR and MIOIS benchmark. The Clearing Member Structure in CCIL came into force with effect from November 2, 2020.

FATF High risk and other monitored jurisdictions

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50638

FATF has further identified the following jurisdictions as having strategic deficiencies which have developed an action plan with the FATF to deal with them. These jurisdictions are: Albania, The Bahamas, Barbados, Botswana, Cambodia, Ghana, Jamaica, Mauritius, Myanmar, Nicaragua, Pakistan, Panama, Syria, Uganda, Yemen and Zimbabwe. As per the public statement, Iceland and Mongolia are no longer subjected to increased monitoring based on the decision made at the October 2020 FATF plenary.

FEDAI Circular

FEDAI Rules - Based on limited review some amendment in FEDAI Rules were advised vide AR Circular No. 04/2020 dated 2nd November 2020.

ICC News

ICC India Chapter launched the 'ICC India Working Group on Banking and Finance' on November 26, 2020.

ICC Paris has issued ICC Identity Management Guidance on November 17, 2020. ICC Paris also issued the ICC Guide to Authenticate Certificates of Origin for International Business and Chamber of Commerce, each on November 13, 2020. Both of these documents are freely accessible document for all over www.iccwbo.org under document section.

FEDAI workshops & training activities

Market interactions Event

- 10th November 2020, FEDAI online discussion with all members to share the learnings, experiences and feedback on market trend after introduction of revised RBI Directives on hedging.

Online workshop/Trainings

- 24th & 25th November 2020, Export Finance and Trade Compliance
- 27th November 2020, Revised Fx. Hedging Guidelines

Upcoming Market Events

- > RBI MPC Meeting 02-04th December 2020
- > FOMC Meeting 15-16th December 2020
- > ECB Monetary Policy Meeting 10th December 2020

Market News

- > After Central Government imposed 30 days moratorium on The Lakshmi Vilas Bank Ltd. (LVB) on November 17, 2020 and appointed Shri T. N. Manoharan, former Non-Executive Chairman of Canara Bank as the Administrator, RBI released a draft scheme of amalgamation of LVB with DBS Bank India Ltd. (DBIL). The scheme was sanctioned by GoI on November 25, 2020. The amalgamation came into force on the Appointed date i.e. November 27, 2020. All the branches of the Lakshmi Vilas Bank Ltd. are now functioning as branches of DBS Bank India Ltd. with effect from this date.
- > The Reserve Bank in its Monetary Policy Statement on Development and Regulatory Policies dated August 06, 2020, had announced that the Bank will set up Reserve Bank Innovation Hub (RBIH) to promote innovation across the financial sector by leveraging on technology and creating an environment which would facilitate and foster innovation. RBIH would be guided and managed by a Governing Council (GC) led by a Chairperson. The Reserve Bank has appointed Shri Senapathy (Kris) Gopalakrishnan, co-founder and former co-Chairman, Infosys, as the first Chairperson of the RBIH.
- > RBI released the Report of the Internal Working Group to Review Extant Ownership Guidelines and Corporate Structure for Indian Private Sector Banks on November 20, 2020.
- > RBI imposed a monetary penalty of Rs. 50 lakh on Central Bank of India for non-compliance with certain provisions of directions issued by RBI.
- > The Director General of Foreign Trade has initiated process for revision of existing FTP 2015-20 which is valid up to March 31, 2021 and invited suggestions for new FTP vide Trade Notice No. 34/2020-21 dated 12th November, 2020.

Contents

Market Trading Hours

Easing of Reporting req. under FEMA 1999

BO/LO/PO of foreign law firms

Compounding of Contraventions

Rupee Derivatives (Guaranteed Settlement) Segment

FATF High risk and other monitored jurisdictions

FEDAI Circular

ICC News

FEDAI Training

Upcoming Market Events

Market News

FEDAI Annual Day



On 26th Nov. FEDAI organized its 4th Annual Day. FEDAI started celebrating the annual day from 2016 onward, organizing interaction with eminent personalities on a subject of contemporary relevance. The event was organized online and was attended by professionals from financial markets across the country and overseas.

Sh. Shaktikanta Das, Honorable Governor RBI Chief Guest for the occasion, delivered speech on 'Accelerating Financial Market Reforms in India'. He explained how recent reforms have been fashioned around the four major themes (i) Liberalise and simplify; (ii) Internationalise; (iii) Safeguard the "buy side" – user protection; and (iv) Ensure resilience and safety.

Shri Dinesh Khara, Chairman of SBI graced the occasion as Guest of Honour.

Other eminent speakers for the event included Smt Usha Thorat, Chairperson, FBIL, Sh. H.K. Jena, MD, CCIL and Sh. Raghavendra Rao, Chairman, FEDAI.