Jurisdiction: India

2015 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
I.	**Hedge funds**				
1 (2)	Registration, appropriate disclosures and oversight of hedge funds	We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds. (Seoul) Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management. (London)	Jurisdictions should indicate the progress made in implementing the high level principles contained in IOSCO's *Report on Hedge Fund Oversight (Jun 2009)*. In particular, jurisdictions should specify whether: - Hedge Funds (HFs) and/or HF managers are subject to mandatory registration - Registered HF managers are subject to appropriate ongoing requirements regarding: • Organisational and operational standards; • Conflicts of interest and other conduct of business rules; • Disclosure to investors; and • Prudential regulation.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress :* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☑ **Implementation completed as of:** May 21, 2012 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☑ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** Securities and Exchange Board of India (SEBI) Alternative Investment Funds Regulations, 2012 ("AIF Regulations") were notified on May 21, 2012. Under the Regulations, hedge funds are required to register with SEBI under Category III of the Regulations. Every investor in	**If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:** **Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				these funds is required to invest at least Rs. 1 crore (equivalent to approximately US $200,000). (Minimum investment is Rs. 25 lakhs (approximately USD 40000) for employees/directors, etc). The minimum size of such funds is required to be Rs. 20 crore. (equivalent to approximately USD 4 million) The Regulations also provide for conditions for registration, disclosures on an ongoing basis to investors, operational, prudential and reporting requirements to SEBI regarding leverage, risk management, etc. SEBI came out with a circular in 2013 for operational, prudential and reporting norms for AIFs. Under the circular, the maximum leverage that can be undertaken by a Category III AIF (which includes hedge funds) is two times its AUM. Further, the leverage has to be reported on a daily basis to the custodian of the AIF and on a monthly basis to SEBI. The circular also provides requirements for risk management to be followed by Category III AIFs (which include hedge funds). **Highlight main developments since last year's survey:** **Web-links to relevant documents:** www.sebi.gov.in/cms/sebi_data/attachdo	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				cs/1337601524196.pdf **Additional questions:** **1. Please indicate whether Hedge Funds (HFs) are domiciled locally and, if available, the size of the industry in terms of Assets under Management and number of HFs.** As per AIF Regulations, AIF inter alia means any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate. Hence, all hedge Funds registered under SEBI AIF Regulations are required to be domiciled locally. Further, the AUM of category III AIFs, which includes Hedge Funds, is INR 7356.81 crores at the end of FY 15. **2. Please specify the main criteria and numerical thresholds (if applicable) for subjecting HFs and/or HF managers to mandatory registration.** The registration criteria for Hedge Funds proposing to obtain registration as Category III AIFs is provided in Regulation 4 of AIF Regulations. It is to mention that there is no numerical threshold for applicants seeking to obtain registration as Category III AIFs **3. Please specify whether**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				registered HF managers are subject to ongoing requirements regarding organisational and operational standards; conflicts of interest and other conduct of business rules; disclosure to investors; and prudential regulation. If any of these requirements are not applicable, please explain. Since SEBI grants registration to the Fund, the regulations prescribe investment conditions and restrictions to be followed by such Funds. In addition, the Regulations also prescribe certain guidelines for conduct of business by Managers. **4. Please describe the main challenges (where relevant) and any lessons learned in implementing this reform.** Not applicable 5. **Are you monitoring the effects of this reform in your jurisdiction? If yes, please share the main findings and any related policy initiatives in response to those findings.** Not applicable	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
2 (3)	Establishment of international information sharing framework	We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)	Jurisdictions should indicate the progress made in implementing the high level principles in IOSCO's *Report on Hedge Fund Oversight (Jun 2009)* on sharing information to facilitate the oversight of globally active fund managers. In addition, jurisdictions should state whether they are: - Signatory to the IOSCO MMoU - Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO *Principles Regarding Cross-border Supervisory Cooperation.*	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☑ **Implementation completed as of:** April 22, 2003 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☑ Regulation /Guidelines ☑ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** SEBI, being a signatory to the Multilateral Memorandum of Understanding (MMOU) of IOSCO and as a signatory to bi-lateral Memorandum of Understanding with foreign regulatory bodies of various jurisdictions, is required to share information, related to its registered intermediaries (including hedge funds), if the same is sought by the	**If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:** **Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				foreign regulator in concerned jurisdiction. Further, SEBI and securities market regulators of 27 member States of the European Union ("EU") / European Economic Authority ("EEA") signed bilateral MOU concerning consultation, cooperation and the exchange of information related to the supervision of the Alternative Investment Fund Managers (AIFMs). The bilateral MoUs were signed on July 28, 2014. The MoUs were signed in pursuance of the EU Alternative Investment Fund Managers Directive (AIFMD) that was adopted by the European Council and Parliament in July 2011 which requires that adequate supervisory cooperation arrangements are put in place between EU and non-EU supervisory authorities including SEBI. " It may further be noted that the AIF Regulations in India registers the funds i.e. the AIFs and not the managers. (Obligations, however, are imposed on the managers of the specific AIFs through the Regulations). Any AIF incorporated in India irrespective of the jurisdiction of its manager is required to get registered under the Regulations and comply with various norms in the Regulations. Further, currently, the AIF	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Regulations do not register or regulate funds incorporated outside India. However, foreign venture capital investors proposing to invest in India need to register with SEBI under SEBI (Foreign Venture Capital Investor) Regulations, 2000. In cases of AIFs in India, having managers outside India, information sharing with the appropriate Regulator in the country in which manager is incorporated may be required. So far, none of the AIFs registered with SEBI have managers incorporated outside India and therefore, no specific action with respect to information sharing on AIFs (including hedge funds) is envisaged at the moment. **Highlight main developments since last year's survey:** **Web-links to relevant documents:** http://www.sebi.gov.in/sebiweb/home/detail/28853/yes/PR-SEBI-signs-MoU-with-27-European-regulators http://www.sebi.gov.in/cms/sebi_data/internationalAffr/IA_MMOU.html	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
3 (4)	Enhancing counterparty risk management	Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures. (London) Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)	Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties. In particular, jurisdictions should indicate whether they have implemented principle 2.iii of IOSCO *Report on Hedge Fund Oversight (Jun 2009)*. Jurisdictions should also indicate the steps they are taking to implement the new standards on equity exposures *(Capital requirements for banks' equity investments in funds, Dec 2013)* by 1 January 2017. For further reference, see also the following documents : • BCBS *Sound Practices for Banks' Interactions with Highly Leveraged Institutions (Jan 1999)* • BCBS *Banks' Interactions with Highly Leveraged Institutions (Jan 1999)*	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☑ **Implementation completed as of:** May 21, 2012 (AIF Regulations) & July 13, 2013 (detailed guidelines for leverage). **Issue is being addressed through :** ☐ Primary / Secondary legislation ☑ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** SEBI AIF Regulations provide that SEBI shall impose prudential requirements on the amount of leverage that can be undertaken by an AIF. SEBI has come out with a circular restricting the maximum leverage that can be undertaken by a Category III AIF (which	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				includes hedge funds) to two times the AUM. In view of the restrictions on the leverage, requirement of risk management and monitoring of fund's leverage by the specific counterparty does not seem to arise. Further, in India, hedge funds generally do their trades on the exchange and not OTC. Therefore, counterparty risk does not arise in such cases. **Highlight main developments since last year's survey:** **Web-links to relevant documents:** www.sebi.gov.in/cms/sebi_data/attachdocs/1337601524196.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1375094611151.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
II. Securitisation					
4 (6)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)	Jurisdictions should indicate the policy measures taken for strengthening the regulatory and capital framework for monolines. See, for reference, the following principles issued by IAIS: • *ICP 13* – Reinsurance and Other Forms of Risk Transfer; • *ICP 15* – Investments; and • *ICP 17* - Capital Adequacy. Jurisdictions may also refer to: • IAIS *Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008).* • Joint Forum document on *Mortgage insurance: market structure, underwriting cycle and policy implications (Aug2013)*.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☑ **Implementation completed as of:** 2000 **Issue is being addressed through :** ☑ Primary / Secondary legislation ☑ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** Presently Indian Regulatory framework permits insurers to operate as monolines in a particular class of business. There are standalone specialized Agriculture and Credit Insurance company operating in India. A strong regulatory and capital framework applicable for multiline	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
II.	**Securitisation**				
				insurance companies applies equally for these monolines. In view of the nature of business operation of these monolines no further strengthening is felt necessary. It may be mentioned that the Indian jurisdiction does not permit Composite insurance companies."The capital requirements for the insurers are as laid down in the Insurance Act, 1938 and regulations framed under" **Highlight main developments since last year's survey:** Insurance Laws (Amendment) Act, 2015 provides for monoline insurance companies to carry out Health Insurance Business. Regulations for registration of Health Insurance companies are under process. **Web-links to relevant documents:**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
5 (7)	Strengthening of supervisory requirements or best practices for investment in structured products	Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)	Jurisdictions should indicate the due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance product. Jurisdictions may reference IOSCO's report on *Good Practices in Relation to Investment Managers´ Due Diligence When Investing in Structured Finance Instruments (Jul 2009).* Jurisdictions may also refer to the Joint Forum report on *Credit Risk Transfer-Developments from 2005-2007 (Jul 2008).*	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☑ **Implementation completed as of:** Insurance Regulatory and Development Authority of India (IRDAI) (Investment) Regulations, 2000 and Circular dated November 27, 2012 SEBI (Mutual Fund) Regulations, 1996 and circulars issued there under Pension Fund Regulatory and Development Authority (PFRDA) Revised Investment guidelines for NPS Schemes effective from June 10, 2015 have been published on June 3, 2015. **Issue is being addressed through :** ☐ Primary / Secondary legislation ☑ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:**	**If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:** **Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				In the insurance sector, Insurers are permitted to invest in Asset Backed Securities (ABS) with underlying housing loans and Infrastructure Assets as per the IRDA (Investment) Regulations, 2000. Regulations do provide exposure limits (10% of respective Fund in case of Life Insurers and 5% of General Insurers) in such investments. If any downgrade below AAA happens, the assets shall be classified as Other Investments. Regulations mandate Insurers to have Risk Management policy to govern the investments issues, Investment Committee to manage the investments. The compliance requirements along with the exposure norms shall be audited by concurrent Auditor which shall be reviewed by Audit Committee. Further, once in two years, Insurers have to undergo audit of investment risk management systems and processes. The compliance of the observations shall be commented by Concurrent Auditor in their periodical reports. Vide Circular dated 27th November, 2012, Insurers are permitted Invest in CDS as 'USER' to hedge credit risk. The Board shall frame suitable risk management policy which shall cover the	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				type of Assets, counter parties, valuation norms, stress testing, applicable margins, settlement of MTM, Systems and procedures, MIS etc. In securities market, India has specific guidelines for issue/sale of structured products to retail investors i.e. "Guidelines for Issue and listing of Structured Products Market Linked Debentures" dated September 28, 2011. The Circular, interalia, provides for eligibility criteria for issuer, minimum ticket size, disclosure requirements, appointment of third party valuation agency etc. Structured Products are securities which differ from plain vanilla debt securities or debt securities issued with embedded call or put options i.e., by offering market linked returns obtained through exposures on exchange traded derivatives. Since such returns are linked to equity markets, such securities are also called equity linked debentures or stock linked debentures etc. The issuer is required to make "a detailed scenario analysis/valuation matrix showing value of the security under different market conditions such as rising,	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				stable and falling market conditions shall be disclosed in a table along with a suitable graphic representation". In India, the issuer is required to make " a detailed scenario analysis/valuation matrix showing value of the security under different market conditions such as rising , stable and falling market conditions shall be disclosed in a table along with a suitable graphic representation" It is mandatory for the issuer to appoint a third party valuation agency which shall be credit rating agency registered with SEBI. There is a requirement for minimum ticket size of INR 10,00,000 (approx. USD 16,700). Also there cannot be invitations for subscription shall be made for an amount of less than INR 10,00,000 (approx.USD 16,700) in any issue. Investment of Mutual Funds in Structured Finance Instruments: In terms of regulation 43(1) of SEBI (Mutual Fund) Regulations, mutual funds are allowed to invest in securitized debt instruments, which are either asset backed or mortgage backed securities. Further, mutual fund scheme are not allowed to invest more	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				than 15% of its NAV in mortgaged backed securitized debt issued by a single issuer which are rated not below investment grade by a credit rating agency registered with SEBI. This limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of asset management company (In terms of Seventh Schedule of SEBI (Mutual Fund) Regulations, 1996) Further, specifically for Infrastructure Debt Fund Schemes, schemes may invest up to 30% of its NAV in securitized debt securities of any single infrastructure company. This limit may be extended to 50% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of asset management company. Extensive due diligence is carried out at all the levels i.e. Trustees carries out on the Board of Directors of Asset Management Companies, Board of Director carries out on the investment Managers' and Investment Managers' before taking investment decision. Specifically, for investment in securitised debt instrument the following parameters	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				are looked into and the same is also disclosed in the Scheme Information Document (SID): i) Risk profile of securitized debt vis-à-vis risk appetite of the scheme ii) Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc. iii) Risk mitigation strategies for investments with each kind of originator: a) Assessment by a Rating Agency b) Acceptance valuation parameters(for pool loan and single loan securitization transactions) c) Critical Evaluation Parameters (for pool loan and single loan securitization transactions) d) Illustration of the framework that will be applied while evaluating investment decision relating to a pool	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				securitization transaction. iv) The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments. v) Minimum retention period of the debt by originator prior to securitization and minimum retention percentage by originator of debts to be securitized. vi) The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund. vii) In general, the resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt. The above parameters are in place since September 2010. Suitability Requirements for	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Distribution:In order to regulate the distributors through AMCs a due diligence process has been put in place to be conducted by AMCs, is as follows: 1. The due diligence process would be applicable for distributors satisfying one or more of the following criteria: a) Multiple point presence (More than 20 locations). b) AUM raised over Rs 100 Crore (approximately USD million 16) across industry in the non institutional category but including high net worth individuals (HNIs) c) Commission received of over Rs. 1 Crore (approximately USD 160000) p.a. across industry d) Commission received of over Rs. 50 Lakh (approximately USD 80000) from a single Mutual Fund. 2. At the time of empanelling distributors and during the period i.e. review process, Mutual Funds/AMCs shall undertake a due diligence process to satisfy 'fit and proper' criteria that incorporate, amongst	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				others, the following factors: a) Business model, experience and proficiency in the business. b) Record of regulatory/statutory levies, fines and penalties, legal suits, customer compensations made; causes for these and resultant corrective actions taken. c) Review of associates and subsidiaries on above factors. d) Organizational controls to ensure that the following processes are delinked from sales and relationship management processes and personnel. 3. In this respect, customer relationship and transactions shall be categorized as: a) Advisory – where a distributor represents to offer advice while distributing the product, it will be subject to the principle of 'appropriateness' of products to that customer category. Appropriateness is defined as selling only that product categorization that is identified as best suited for investors within a defined upper ceiling of risk appetite. No	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				exception shall be made. b) Execution Only – in case of transactions that are not booked as 'advisory', it require: The distributor has information to believe that the transaction is not appropriate for the customer, a written communication be made to the investor regarding the unsuitability of the product. The communication shall have to be duly acknowledged and accepted by investor. A customer confirmation to the effect that the transaction is 'execution only' notwithstanding the advice of in-appropriateness from that distributor be obtained prior to the execution of the transaction. That on all such 'execution only' transactions, the customer is not required to pay the distributor anything other than the standard flat transaction charge, as applicable. c) There is no third categorization of customer relationship/transaction. d) While selling Mutual Fund products	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				of the distributors' group/affiliate/associates, the distributor is required to make disclosure to the customer regarding the conflict of interest arising from the distributor selling of such products. 4. Compliance and risk management functions of the distributor shall include review of defined management processes for: a) The criteria to be used in review of products and the periodicity of such review. b) The factors to be included in determining the risk appetite of the customer and the investment categorization and periodicity of such review. c) Review of transactions, exceptions identification, escalation and resolution process by internal audit. d) Recruitment, training, certification and performance review of all personnel engaged in this business. e) Customer on boarding and relationship management process, servicing standards,	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				enquiry/grievance handling mechanism. f) Internal/external audit processes, their comments/ observations as it relates to MF distribution business. g) Findings of ongoing review from sample survey of investors Product Labeling in Mutual Funds: In order to address the issue of mis-selling and to provide investors an easy understanding of the kind of product/scheme they are investing in and its suitability to them, all the mutual funds are required to 'Label' their schemes on the parameters as mentioned under: a) Nature of scheme such as to create wealth or provide regular income in an indicative time horizon (short/ medium/ long term). b) A brief about the investment objective (in a single line sentence) followed by kind of product in which investor is investing (Equity/Debt). c) Level of risk, depicted by	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				‘Riskometer’ as: Low - principal at low risk Moderately Low - principal at moderately low risk Moderate - principal at moderate risk Moderately High - principal at moderately high risk High - principal at high risk A disclaimer that investors should consult their financial advisers if they are not clear about the suitability of the product. In the Pension sector, Pension Fund Manager’s (PFMs) are allowed to make investments in rated Asset Based Securities and IDFs provided the instrument has an investment grade rating from at least two rating agencies and subject to due diligence by the PFM. **Highlight main developments since last year’s survey:** In product labeling of mutual fund the depiction of risk using color code has been replaced by Riskometer, as described above. **Web-links to relevant documents:** SEBI (Mutual Fund) regulations, 1996: http://www.sebi.gov.in/cms/sebi_data/co	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				mmondocs/mfundsnew_p.pdf SEBI circular No. Cir/IMD/DF/13/2011, dated August 22, 2011: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1314009686727.pdf SEBI circular No. CIR/IMD/DF/5/2013, dated March 18, 2013: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1363665768253.pdf SEBI circular No. CIR/IMD/DF/4/2015, dated April 30, 20145: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1430388883147.pdf http://www.irda.gov.in/ADMINCMS/cms/Circulars_Layout.aspx?page=PageNo1829&flag=1 http://www.irda.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo63&flag=1 Amendment Regulations: http://www.irda.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo1898&flag=1 http://www.irda.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo357&flag=1 http://www.irda.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo34&flag=1 http://www.irda.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo49&flag=1 Weblink to Revised Investment guidelines for NPS Schemes effective from Jun/10/2015 have been published on Jun/03/2015: http://pfrda.org.in//MyAuth/Admin/showimg.cshtml?ID=705	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
6 (8)	Enhanced disclosure of securitised products	Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)	Jurisdictions should indicate the policy measures taken for enhancing disclosure of securitised products. See, for reference, IOSCO's *Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012)* and IOSCO's *Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010)*.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☑ **Implementation completed as of:** March 16, 2011 and May, 2012 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☑ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** SEBI has laid down the framework for public offer and listing of securitized debt instruments through SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations, 2008. As per the said Regulation, no special purpose distinct entity or trustee thereof shall make an offer of securitised debt instruments to the public unless it files a	**If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:** **Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				draft offer document with SEBI at least 15 working days before the proposed opening of the issue. If SEBI specifies any changes to be made in the offer document, the special purpose distinct entity and trustee thereof shall carry out such changes in the draft offer document prior to filing it with the stock exchange. An offer document issued by a special purpose distinct entity or trustee thereof should contain all material information which is true, fair and adequate for an investor to make informed investment decision and should also disclose the matters specified in Schedule. Schedule to the said Regulations prescribes comprehensive disclosures pertaining to the issuer, originator, assets, pool details, credit enhancements etc. Further, SEBI has laid down model listing agreement for Securitized Debt Instruments on March 16, 2011, which specifies continuous listing requirements for Securitized debt securities. As per the Listing Agreement, special purpose distinct entity needs to furnish details, either by itself or through the servicer, on a monthly basis to the stock exchanges. Those details include details on pool snapshot, tranche snapshot, pool level	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				details, yield, maturity & Loan -to-value (LTV) details on credit enhancement, waterfall mechanism till maturity, future cash flows schedule till maturity, collection efficiency, report asset class, details of overdue loans, credit rating, loan level details etc. These details have to be submitted within 7 days from the end of the month/ actual payment date. Where periodicity of the receivables is not monthly, reporting has to be made for such relevant periods. **Highlight main developments since last year's survey:** Reserve Bank of India (RBI) disclosures requirements for securitisation transactions are quite comprehensive. RBI prescribed disclosures for the securitisation trustees under the Securitisation Guidelines 2006 which includes disclosures to the regulators as and when required by them, written disclosures to investors as well as continuing disclosures to each securities holder individually at periodic intervals (maximum 6 months or more frequent). Further, the SPV/trustee should publish a periodical report on any reschedulement, restructuring or re-negotiation of the	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				terms of the agreement, effected after the transfer of assets to the SPV, as a part of disclosures to all the participants at Quarterly/Half yearly intervals. Disclosures by the originators have been prescribed under the Securitisation Guidelines issued in February 2006 and May 2012 as per which the originating banks are required to make disclosures in the notes to accounts regarding exposures of the bank to securitization transactions with regards to MRR and other exposures. Further, the originator of the securitised instrument has to disclose certain information in the servicer/investor/trustee report. The disclosures includes information on the weighted average holding period of the assets securitised, the credit quality of the underlying loan/assets as well as detailed information on various aspects of securitisation transaction like distribution of overdue loans, amount of tangible security available, rating wise distribution, etc. Originators are also required to disclose details of their securitization exposures to Audit Sub-committee of their Board on quarterly	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				basis. The RBI has prescribed disclosure norms for deposit taking NBFCs and systemically non-deposit taking NBFCs wherein disclosures have been prescribed for securitised products. SEBI during April 2015, made amendments to SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations, 2008 to incorporate a standardized summary term sheet for securitization transactions.The prescribed summary term sheet (which is applicable for both public issues and private placement which further gets listed), inter-alia includes disclosures on originators, Issuer, trustee, transaction structure etc, key pool features, credit enhancement etc. This will help in facilitating for better understanding and preparation of such documents by issuers as well as help investor in decision making process. These amendments have been notified in the official gazette on April 9, 2015 **Web-links to relevant documents:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/68628.pdf https://rbidocs.rbi.org.in/rdocs/notification/PDFs/FIGUSE070512.pdf http://www.sebi.gov.in/cms/sebi_data/commondocs/sdireg_p.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				http://www.sebi.gov.in/cms/sebi_data/attachdocs/1300794690530.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1428639949107.pdf http://www.sebi.gov.in/acts/sdireg.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
III.	**Enhancing supervision**				
7 (9)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)	Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors; (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs. See, for reference, the following documents: BCBS: • *Framework for G-SIBs (Jul 2013)* • *Framework for D-SIBs (Oct 2012)* • *BCP 12 (Sep 2012)* IAIS: • *Global Systemically Important Insurers: Policy Measures (Jul 2013)* • *ICP 23– Group wide supervision* FSB: • *Framework for addressing SIFIs (Nov 2011)*	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☑ **Implementation completed as of:** November 10, 2014 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☑ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** RBI revised regulatory framework applicable to Non-Banking Financial Companies (NBFCs). Non-deposit accepting NBFCs with assets of Rs. 50 billion and above have been defined as systemically important (NBFC-NDSI). All deposit taking NBFCs and NBFCs-NDSI are subject to prudential regulation	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				which includes CRAR stipulations and application of credit/investment concentration norms; corporate governance guidelines and enhanced disclosures in their balance sheet. Further, the revised regulatory framework provides for consolidation of assets of all NBFCs in a group for application of prudential regulation, i.e. if the aggregate assets of all NBFCs in the group exceed the Rs.50 billion mark then each of them, irrespective of their size, will be subject to prudential regulation. All deposit taking NBFCs and NBFC-NDSI are subject to supervision on an annual basis. Currently, the supervision of NBFCs that fall under prudential framework post consolidation of assets is not being done, however, going forward the same shall be considered by RBI. Supervision of financial conglomerates i) In 2005, an oversight and monitoring mechanism for financial conglomerate banks was put in place RBI in coordination with other domestic regulators viz SEBI, IRDA and PFRDA. ii) The mechanism was further strengthened with the setting up of dedicated Financial Conglomerate	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Monitoring Divisions (FCMDs) in the Department of Banking Supervision (DBS) of RBI for oversight of banks that operated in other segments of the financial sector. FCMD banks were required to submit bank group returns to RBI, which included details of the group structure, financials of group entities, intra-group transactions and exposures, etc. iii) Since 2013, risk-based supervision (RBS) has been rolled out for banks in a phased manner. FCMD banks were placed under RBS in the first phase itself. The banks are subject to primary supervision under RBS and continue to submit bank group returns for assessment of group risk to their Senior Supervisory Managers, the single point of contact in DBS for all supervisory matters. iv) After the setting up of the Financial Stability and Development Council (FSDC) in December 2010, which is chaired by the Finance Minister, various issues affecting financial stability, including the need for identifying FCs based on specific criteria and subjecting them to additional and coordinated oversight through an inter-regulatory	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				mechanism, were deliberated. v) Based on the recommendation of the FSDC, an Inter-Regulatory Forum (IRF) was set in 2012 under the aegis of a Sub-Committee of the FSDC, to function as a college of domestic supervisors for enhanced supervisors of identified FCs. The IRF is chaired by Deputy Governor of RBI and has very high level representation from SEBI, IRDA and PFRDA. A Memorandum of Understanding (MoU) for cooperation and information exchange in the oversight of FCs has also been signed among the regulators. vi) The IRF has identified 12 FCs in the Indian financial sector, which include five bank-led FCs, four insurance company-led FCs and three securities company-led FCs, based on their significant presence in two or more segments of the financial sector. Each FC group has a 'designated entity' within the group to act as the nodal entity, and a 'principal regulator', which is the regulator of the designated entity. vii) The oversight of FC groups by the IRF includes; a) submission of quarterly off-site conglomerate returns through the	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				designated entity in the group to the principal regulator. The returns include detailed information on all entities of the group, the group structure, entity wise financials, intra-group transactions and exposure, management, etc. and b) periodic discussion meetings with the group on group wide and inter-regulatory issues of concern pertaining to the FC group. The mechanism is working well. The IRF has had nine meetings so far since 2012. D-SIBs: None of the Indian Banks are Global SIBs. However, RBI has finalised its Framework for dealing with Domestic -SIBs in July 2014.RBI will disclose the name of banks designated as D-SIBs from the first time in August 2015. Assessment of systemic importance of banks on the basis of D-SIB Framework is presently in process. The work on methodology for assessing NBNI-SIFI is under process. **Highlight main developments since last year's survey:** Since the last survey, The IRF has held discussion meetings with two large bank-	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				led FCs and one large insurance-led FC group. **Web-links to relevant documents:** http://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/IEPR155FDS0714.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
8 (10)	Establishing supervisory colleges and conducting risk assessments	To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London) We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)	Reporting in this area should be undertaken solely by home jurisdictions of G-SIBs and G-SIIs. Please indicate the progress made in establishing and strengthening the functioning of supervisory colleges for G-SIBs and G-SIIs using, as reference, the following documents: BCBS: • Principle 13 of the BCBS *Core Principles for Effective Banking Supervision (Sep 2012)* • *Principles for effective supervisory colleges (Jun 2014)* IAIS : • *ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges* • *Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges* • *Application paper on supervisory colleges (Oct 2014)*	☑ **Not applicable** Reporting in this area was restricted to home jurisdictions of G-SIBs/G-SIIs. ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress :* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☐ **Implementation completed as of:** **Issue is being addressed through :** ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** **Highlight main developments since last year's survey:** **Web-links to relevant documents:** **Additional questions:** **1. Please indicate whether supervisory colleges for all G-SIBs/G-SIIs headquartered in your jurisdiction have been established. If not, please**	**If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:** **Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				explain. **2. Please indicate the structure of the supervisory colleges for G-SIBs/G-SIIs in your jurisdiction (core, universal, other) and the reasons why it may differ across firms.** **3. Please indicate the frequency of meetings over the past year of the supervisory colleges (core, universal, other) for G-SIBs/G-SIIs in your jurisdiction.** **4. Please describe the main objectives of supervisory colleges for G-SIBs/G-SIIs in your jurisdiction and the types of issues that have been discussed over the past year. (e.g. specific area(s) of risk, coordinated risk assessments, joint supervisory work, coordinated supervisory plans). In your response, please indicate briefly some of the main challenges in conducting joint risk assessments and steps taken to address them.** 5. **Please describe the main challenges in the functioning of supervisory colleges for G-SIBs/G-SIIs in your jurisdiction and any plans to enhance the effectiveness of colleges.**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
9 (11)	Supervisory exchange of information and coordination	To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008) Enhance the effectiveness of core supervisory colleges. (FSB 2012)	Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the September 2012 BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations. Jurisdictions should describe any recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☑ **Implementation completed as of:** April 22, 2003 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☑ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** Supervisory exchange of information and coordination is conducted through participation in FSDC and its Sub-Committees. An inter-regulatory forum has been setup under the aegis of FSDC Subcommittee. MoU on Supervisory cooperation signed between RBI, SEBI, PFRDA and IRDAI. In the insurance sector, IRDAI has notified the	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Regulations on Sharing of Information which includes such aspects as purposes for which information can be shared, pre-conditions to sharing of information and cross border cooperation. In May 2013, IRDA has become a signatory to IAIS, Multilateral Memorandum of Understanding (MMoU). The MMoU is a global framework for cooperation and information exchange between insurance supervisors. It sets minimum standards to which signatories must adhere, and all applicants are subject to review and approval by an independent team of IAIS members. The Reserve Bank of India has been signing the Memorandum of Understanding / Exchange of Letters (EoL) / Statement of Co-operation (SoC) with supervisors of other countries to promote greater co-operation and sharing of supervisory information among the authorities. As on date twenty eight such MoUs, one EoL and one SoC has been concluded with overseas regulators/ supervisors. Negotiations with other overseas regulators/ supervisors are in different stages for establishment of MoUs. As per the FSAP of India conducted in 2012, SEBI has been found as fully compliant with respect to IOSCO	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Principles 11, 12 & 13. Principle 11: The regulator should have the authority to share both public and non-public information with domestic and foreign counterparts Principle 12. Regulators should establish information sharing mechanisms that set out when and how they will share both public and non-public information with their domestic and foreign counterparts. Principle 13. The regulatory system should allow for assistance to be provided to foreign regulators who need to make inquiries in the discharge of their functions and exercise of their powers. **Highlight main developments since last year's survey:** MOUs have been signed with regulators/supervisors from China, Dubai, Qatar (Qatar Central Bank and Qatar Financial Centre Regulatory Authority), South Africa, Bahrain, Jersey, UK, Norway, Russia, Vietnam, Mauritius, Fiji, Belgium, France, Germany, Sri Lanka, New Zealand, Australia, Korea, Hong Kong, Kenya, Brazil and Uganda. Exchange of Letter (EOL) on 'Co-operation in the area of Banking Supervision' has been signed with	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Financial Services Agency, Japan. Statement of Co-operation has been signed with the Board of Governors of the Federal Reserve System, Office of the Comptroller of Currency and Federal Deposits Insurance Corporation of the United States of America etc. **Web-links to relevant documents:** http://www.irda.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo1935&flag=1 http://iaisweb.org/index.cfm?event=getPage&nodeId=25299 https://www.imf.org/external/pubs/ft/scr/2013/cr13266.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
10 (12)	Strengthening resources and effective supervision	We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul) Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008) Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)	No information on this recommendation will be collected in the current IMN survey due to the recent publication of the FSB thematic peer review report on supervisory frameworks and approaches to SIBs.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV.	**Building and implementing macroprudential frameworks and tools**				
11 (13)	Establishing regulatory framework for macro-prudential oversight	Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks[1] and private pools of capital to limit the build up of systemic risk. (London) Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)	Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place since the financial crisis, including over the past year. Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among different authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress :* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since: ☑ **Implementation completed as of:** March, 2013 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☑ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** Institutional arrangement in place consist of FSDC, its Sub-Committee (FSDC-SC) and Technical Groups for monitoring systemic risk across financial system. The	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

[1] The recommendation as applicable to shadow banks will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				above mentioned institutional framework provides an effective platform for collecting and sharing information across different regulatory jurisdictions. Extensive systemic risk monitoring/ stress test analysis carried out by RBI and disseminated in public domain through FSRs. The Financial Stability and Development Council (FSDC) was set up in 2010 as an apex level forum for maintaining financial stability, enhancing inter-regulatory coordination and promoting financial sector development. The FSDC is chaired by the Union Finance Minister and its members include the heads of all financial sector regulators and key representatives from the Ministry of Finance. The FSDC is assisted by a Sub-Committee (FSDC-SC), which is chaired by the Governor of the RBI of India. There are also Technical Groups set up by the Sub Committee that provide focussed attention to specific areas viz., inter-regulatory issues; financial inclusion and literacy; monitoring and supervision of financial conglomerates. Together these institutional structures provide a formal platform for information sharing on macro-prudential risks across financial system. These fora also serve as	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				converging point for flagging systemic risk factors for possible mitigating actions. The above, framework also provides for co-ordination among regulators and the Government during systemic threat or crisis in the financial sector (through one of its Technical Groups). An Inter-Regulatory Forum (IRF) for monitoring of Financial Conglomerates (FCs) was set up in 2013 by the Sub-Committee. The IRF is entrusted with formulating the criteria for identifying FCs. 12 FCs have been identified of which five are bank-led groups. The IRF oversight mechanism involves a combination of off-site data reporting by the FCs and face-to-face interface between regulators and key personnel of FCs. Further, a Memorandum of Understanding (MoU) was signed by the financial sector regulators RBI, SEBI, IRDAI & PFRDA in March 2013to forge greater cooperation in the field of consolidated supervision and monitoring of financial groups identified as financial conglomerates. Within RBI, Financial Stability Unit (FSU) set up in 2009 which has the mandate of continuous macro prudential surveillance of the financial	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				system. FSU, which is also the secretariat of FSDC-SC, undertakes extensive stress test analysis covering the entire gamut of financial system using state-of-the-art analytical tools and techniques. Interconnectedness among financial institutions and the associated contagion risk from failure of institutions also forms a major part of the analysis. The analysis is made available for public consumption on a half-yearly basis vide publication of Financial Stability Report (FSRs). FSRs also provide a stock-taking of the general health and performance of various segments of the financial sector and flag emergent risks across the system. All regulators contribute towards the content of the FSR, which is finally approved by the FSDC Sub-Committee before publication. The regulatory framework, as it evolved in India over the years, addresses the issue of systemic risk, through prudential capital requirements, exposure norms, liquidity management, asset liability management, creation of entity profile and reporting requirements, corporate governance and disclosure norms for the banks and systemically important non-banking finance companies, etc. The ultimate objective	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				was that such interconnectedness should not result in transmission of risk to banks or the payment and settlement system. **Highlight main developments since last year's survey:** The framework on Countercyclical Capital Buffer (CCCB) was put in place vide RBI guidelines on February 5, 2015 wherein it was advised that the CCCB would be activated as and when the circumstances warranted, and that the decision would normally be pre-announced with a lead time of four quarters. The framework envisages credit-to-GDP gap as the main indicator which may be used in conjunction with other supplementary indicators, viz., incremental credit-deposit (C-D) ratio for a moving period of three years, industry outlook survey (IOS) assessment index and interest coverage ratio. RBI has finalised its framework for dealing with domestic systemically important banks in July 2014. Meeting with 2 FC group entities were held in FY 2014-15, and with 2 FC group entities were held in FY2015-16 (till June 2015). **Web-links to relevant documents:**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				http://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/IEPR155FDS0714.pdf https://rbidocs.rbi.org.in/rdocs/notification/PDFs/CCCBG05022015.pdf Link for setting up of FSDC and FSDC Sub-Committee http://finmin.nic.in/the_ministry/dept_eco_affairs/capital_market_div/Financial_stability.pdf Link for signing of MoU https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=28278 **Additional questions:** **1. Please describe the institutional arrangements for financial stability and macroprudential policy in your jurisdiction, including whether a macroprudential authority has been explicitly identified and the respective roles and responsibilities of the central bank and other authorities.** The role of FSDC interalia includes Macro prudential supervision of the economy including the functioning of large financial conglomerates. **2. If a macroprudential authority has been explicitly identified in your jurisdiction, please describe its legal basis, mandate, composition, powers (warnings, recommendations, prudential tools, powers of direction, other) and accountability**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				arrangements. Who provides the resources and analytical support for the authority's activities? FSDC was established by a Gazette notification dated December 31, 2010. FSDC is chaired by Union Finance Minister. Members of FSDC include a) Governor, Reserve Bank of India. b) Finance Secretary and/or Secretary, Department of Economic Affairs. c) Secretary, Department of Financial Services. d) Chief Economic Adviser (CEA), Ministry of Finance. e) Chairman, Securities and Exchange Board of India (SEBI). f) Chairman, Insurance Regulatory Development and Authority of India (IRDAI). g) Chairman, Pension Fund Regulatory and Development Authority (PFRDA). 5) Chairman, Forward Market Commission (FMC) **3. Is there an inter-agency body on financial stability or macroprudential matters – distinct from the designated macroprudential authority – in your jurisdiction? If so, please describe its legal basis, mandate, composition, powers and accountability arrangements. Who provides the resources and analytical support for its activities?** An Inter-Regulatory Forum (IRF) has been established under the aegis of Sub-Committee of FSDC as a college of	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				domestic financial sectoral supervisors (RBI, SEBI, IRDA and PFRDA) for strengthening the supervision of FCs and assessing risks to systemic stability arising from the activities of the FCs. A Joint MOU for supervisory cooperation has been signed by RBI, SEBI, IRDAI and PFRDA to collaborate, co-operate, share information, coordinate on-site examinations, consult on matters of mutual supervisory/regulatory interests and to undertake assessment of systemic risk arising from the activities of FCs as a part of the FC monitoring framework under the IRF ambit. For each of the identified Financial Conglomerate, Designated Entity and Principal Regulator have been identified, wherein, Designated Entity is one of the Group entities (usually the parent entity of the group) nominated to act as the nodal entity of the FC to facilitate compliance and ensure effective communication with the principal regulator. Principal/Lead Regulator is generally the sectorial regulator (RBI, IRDAI, SEBI and PFRDA) of the Designated Entity **4. Please describe the extent to which the macroprudential authority (or other relevant body) is able to collect information on material**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				financial institutions, markets and instruments in order to assess potential systemic risks. In your response, please indicate whether the authorities involved in systemic risk monitoring have specific legal powers to collect information from financial institutions (whether regulated or not) for financial stability purposes, and whether there exist dedicated information gateways (e.g. Memorandum of Understanding) to share such information among relevant authorities. In order to capture systemic risk arsing due to interconnectedness of FCs and within the FC groups, as a part of FC monitoring system, FCs are required to file Financial Conglomerate (FINCON) Returns to the respective Principal Regulators on a quarterly basis. This captures information relating to group capital, group risk policies, performance of group entities, intra-group transactions and exposures, among others. Further as per the Joint MOU for supervisory cooperation which has been signed by RBI, SEBI, IRDAI and PFRDA, each authority would collaborate, co-operate, share information, coordinate on-site examinations, consult on matters of mutual supervisory/regulatory interests and for undertaking assessment of systemic risk arising from the activities of	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				FCs as a part of the FC monitoring framework under the IRF ambit.	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (14)	Enhancing system-wide monitoring and the use of macro-prudential instruments	Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level…(Rec. 3.1, FSF 2009) We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes) Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)	Please describe at a high level (including by making reference to financial stability or other reports, where available) the types of methodologies, indicators and tools used to assess systemic risks. Please indicate the use of macroprudential tools in the past year, including the objective for their use and the process used to select, calibrate, and apply them. See, for reference, the following documents: • CGFS report on *Operationalising the selection and application of macroprudential instruments (Dec 2012)* • FSB-IMF-BIS progress report to the G20 on *Macroprudential policy tools and frameworks (Oct 2011)* • IMF staff papers on *Macroprudential policy, an organizing framework (Mar 2011)*, *Key Aspects of Macroprudential policy (Jun 2013)*, and *Staff Guidance on Macroprudential Policy (Dec 2014)*	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress :* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since: ☑ **Implementation completed as of:** February 5, 2015 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☑ Regulation /Guidelines ☑ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** RBI has been traditionally using various kinds of macroprudential tools, more specifically the countercyclical tools without ever calling them so, to safeguard the banking sector from excessive credit exuberance in certain sensitive segments and reduce interconnectedness among banks. In this context, the monetary and countercyclical measures have always	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				been complementary. During the period from 2004 to 2009, the monetary tightening and easing phase corresponds respectively to increase in sectoral capital and provisioning requirements and easing of these requirements. During 2004-08, the Indian economy exhibited high real GDP growth of around 9 % resulting in sharp increase in asset prices and fuelling inflationary expectations. Consequently, the repo rate was increased in phases from 6 % in September 2004 to 9 % in August 2008. This period also saw an increase of 450 basis points in the cash reserve ratio, from 4.5 % in 2004 to 9 % in 2008. During the same time, risk weight on banks' exposure to commercial real estate was increased by up to 150 % in May 2006. Risk weight on exposure to other sensitive sectors, like capital market, retail housing loans also saw similar increases. The provisions for standard assets were also revised upwards progressively in November 2005, May 2006 and January 2007, in view of the continued high credit growth in the real estate sector, personal loans, credit cards receivables, loans and advances qualifying as capital market exposures and loans and advances to the NBFCs. In	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				order to alleviate liquidity pressures, the Reserve Bank lowered the CRR of SCBs cumulatively by 75 bps on three occasions and the statutory liquidity ratio (SLR) by 100 bps during 2012-13. The impact of macroeconomic indicators on insurance sector is examined on periodic basis by Financial Stability Report, presently every half-year. In addition to the above, IRDAI is also a member of Early Warning Group formed under the aegis of FSDC in which likely impact of Macro Economic factors on the financial sector is discussed. A Systemic Risk Monitoring Template (SRMT) being developed by SEBI on a voluntary basis. PFRDA is in the process of examining Prompt Corrective Action framework, stress tests etc as a preparatory measure to counter impending systemic risk. **Highlight main developments since last year's survey:** i) Guidelines on Countercyclical Capital Buffers (CCCB) were issued on February 5, 2015. As per the guidelines, the CCCB would be activated as and when circumstances warrant, and that the decision would normally be pre-announced with a lead time of four quarters. The framework envisages the	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				credit-to-GDP gap as the main indicator which may be used in conjunction with other supplementary indicators such as the incremental credit-deposit (C-D) ratio for a moving period of three years, the industrial outlook survey (IOS) assessment index and the interest coverage ratio. ii) Revised regulatory framework for non-banking finance companies (NBFCs) was put in place on November 10, 2014 whereby the prudential regulation comprising norms relating to minimum owned funds, CRAR, income recognition, asset classification and provisioning, etc., have been revised. iii) The Reserve Bank has commenced phased implementation of the Liquidity Coverage Ratio (LCR) from January 2015. In the securities market to monitor variables that are systemically important the Systemic Risk Monitoring Template (SRMT) was drawn up, consisting of variables (relating to various segments of the securities market as well as the economy). The time-series data collected on such variables are being analysed to develop the template and monitor the abnormal movements, if any,	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				of such variable periodically. **Web-links to relevant documents:** http://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/IEPR155FDS0714.pdf http://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=30097 http://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/2014-2015/952 **Additional questions:** **1. Please describe, at a high level, the types of methodologies, indicators and reports used in your jurisdiction to identify, analyse, communicate and address systemic risks.** In SRMT, the indicators are categorized market wise - primary and secondary, and segment wise- cash and derivatives- and related to indices, turnover, holdings, liquidity, volatility, settlement/margins/SGF, open interest, FIIs, and mutual funds. The template seeks to monitor systemically important aspects like market sentiments, liquidity, concentrations, inter-connectedness, risk management, etc. relevant to securities markets in India. **2. Please describe the range of policy tools (prudential and other)**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				currently available to the authorities for macroprudential purposes.[2] The range of prudential and other policy tools currently available to the authorities have been indicated under the "Short description of the content of the legislation/ regulation/guideline" **3. Please indicate which tools have been deployed for macroprudential purposes over the past year, including the objective for their use and the process used to select, calibrate, and apply them.** The tools deployed for macroprudential purposes over the past year have been indicated under "Highlight main developments since last year's Survey" **4. Please describe whether and, if so, how the relevant authorities assess the *ex ante* cost and benefits of macroprudential policies and their *ex post* effectiveness.** Not Applicable	

[2] An indicative list of such tools can be found in "Macroprudential Policy Tools and Frameworks – Progress Report to the G20" by the FSB, IMF and BIS (October 2011, http://www.financialstabilityboard.org/wp-content/uploads/r_111027b.pdf); "Staff Guidance on Macroprudential Policy" (December 2014, http://www.imf.org/external/np/pp/eng/2014/110614.pdf) by IMF staff; and "Operationalising the selection and application of macroprudential instruments" (December 2012, http://www.bis.org/publ/cgfs48.pdf) by the CGFS.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V.	**Improving oversight of credit rating agencies (CRAs)**				
13 (16)	Enhancing regulation and supervision of CRAs	All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London) National authorities will enforce compliance and require changes to a rating agency's practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process. CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process. The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London) Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible	Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document: • *Code of Conduct Fundamentals for Credit Rating Agencies (Mar 2015)* Jurisdictions may also refer to the following IOSCO documents: • Principle 22 of *Principles and Objectives of Securities Regulation (Jun 2010)* which calls for registration and oversight programs for CRAs • *Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003)* • *Final Report on Supervisory Colleges for Credit Rating Agencies (Jul 2013)*	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☑ **Implementation completed as of:** July 7, 1999 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☑ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** India is one of the earliest countries to have framed regulations for CRAs since 1999. These regulations contain provisions regarding grant of registration to the CRAs, their supervision, Code of Conduct, policies for avoidance of conflict of interest, etc.Furthermore,	**If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:** **Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		in 2010. (FSB 2009) We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)		CRAs are required to display the status of compliance with the provisions of IOSCO Code of Conduct on their respective websites.SEBI has laid down a comprehensive procedure for registration of any entity desirous of undertaking the credit rating activities as defined in the SEBI (Credit Rating Agencies) Regulations, 1999. Supervision – SEBI (Credit Rating Agencies) Regulations, 1999 specify several mechanisms for supervising the functioning of the credit rating agencies which fall under the regulatory purview of SEBI. These are: Submission of information to the Board. SEBI right to undertake inspection or investigation of the books of account, records and documents of the credit rating agency.• Maintenance of Books of Accounts records, etc. Appointment of Compliance Officer Enforcement action – In case of any violations of the rules, regulations, guidelines or directives issued by the regulatory body, the Board after consideration of inspection or investigation report is authorized to take appropriate action. Code of Conduct – A SEBI registered CRA is required to develop its own internal code of conduct for governing its internal operations and	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				laying down its standards of appropriate conduct for its employees and officers in carrying out of their duties within the credit rating agency and as a part of the industry. Such a code may extend to the maintenance of professional excellence and standards, integrity, confidentiality, objectivity, avoidance of conflict of interests, disclosure of shareholdings and interests, etc. Such a code shall also provide for procedures and guidelines in relation to the establishment and conduct of rating committees and duties of the officers and employees serving on such committees. Internal Audit – SEBI has directed that an internal audit of all SEBI registered CRAs should be conducted on a half yearly basis. The exercise has to be undertaken by Chartered Accountants, Company Secretaries or Cost and Management Accountants who are in practice and who do not have any conflict of interest with the CRA. The audit should cover all aspects of CRA operations and procedures, including investor grievance redressal mechanism, compliance with the requirements stipulated by SEBI from time to time. Transparency & Disclosure – SEBI has issued guidelines wherein transparency	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				and disclosure norms have been prescribed for the CRAs. As per the guidelines, CRAs have been directed to maintain proper records, inter alia, in respect of the rating processes, default studies, dealing with conflict of interest, income, etc. Standardised Rating symbols & definitions – CRAs registered with SEBI were using different rating symbols and definitions. For easy understanding of the rating symbols and their meanings by the investors and to achieve high standards of integrity and fairness in ratings, SEBI has standardized the rating symbols and definitions. SEBI is probably one of the first regulators in the world to come up with this investor friendly regulation. Compliance with IOSCO Code of Conduct – CRAs are required to disclose compliance with IOSCO Code of Conduct on their respective websites. **Highlight main developments since last year's survey:** **Web-links to relevant documents:** http://www.sebi.gov.in/acts/CreditRatingAgencies.pdf http://www.sebi.gov.in/acts/creditratingamend.pdf http://www.sebi.gov.in/acts/craamend.html http://www.sebi.gov.in/acts/craamend201	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				0.pdf http://www.sebi.gov.in/acts/cranotification.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (17)	Reducing the reliance on ratings	We also endorsed the FSB's principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul) Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008) We reaffirm our commitment to reduce authorities' and financial institutions' reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes) We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that	Jurisdictions should indicate the steps they are taking to address the recommendations of the May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings, including by implementing their agreed action plans. Jurisdictions may refer to the following documents: • FSB *Principles for Reducing Reliance on CRA Ratings (Oct 2010)* • FSB *Roadmap for Reducing Reliance on CRA Ratings (Nov 2012)* • BCBS Consultative Document *Revisions to the Standardised Approach for credit risk (Dec 2014)*	☐ **Not applicable** ☑ **Applicable but no action envisaged at the moment** See below ☐ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☐ **Implementation completed as of:** **Issue is being addressed through :** ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** **i)** Reserve Bank of India's regulatory framework requires banks to have their own credit risk assessment	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		would enhance transparency of and competition among credit rating agencies. (Los Cabos) We call on national authorities and standard setting bodies to accelerate progress in reducing reliance on credit rating agencies, in accordance with the FSB roadmap. (St Petersburg)		framework for lending and investments decisions and not rely only on ratings assigned by Credit Rating Agencies. The adequacy and effectiveness of banks' credit risk management framework, including aspects relating to credit assessment process and rating/grading, is one of the focus areas of the Reserve Bank's Risk Based Supervision of banks. Further, adequate disclosure requirements are already in place. **ii)** The Indian banking system's mandated reliance on external credit ratings is limited to capital adequacy computation for credit risk and general market risk under Standardised Approach of Basel II. At present, all banks in India are under Standardised Approach. **iii)** The Task Force on Standardised Approaches of Basel Committee on Banking Supervision is working on various measures which seek to reduce or remove the reliance on external ratings, including developing supplementary measures for risk classification and encouraging stronger supervisory practices to promote alternative measures for risk	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				assessment. As and when the work is finalised, Reserve Bank of India would consider adopting the same for Indian banks. **iv)** Further, certain major banks have applied for migration to the advanced approaches namely, Internal Rating Based (IRB) approach, towards computation of capital charge for credit risk under Basel II. RBI is presently carrying out model validation/ parallel run exercise for some select banks, based on their preparedness. It is expected that banks which satisfy with all IRB requirements under Basel II will be accredited to migrate to IRB approach, which may help in further reducing the reliance on external CRA ratings. SEBI has been identified as the lead regulator for the Implementation Group on Credit Rating Agencies (CRAs) to assess the position of compliance of regulatory framework in the country vis-à-vis the FSB principles for reducing reliance on CRA ratings. The Group had representatives from regulatory bodies of securities markets (SEBI), banking (RBI), insurance (IRDAI) and pension funds	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				(PFRDA).It was concluded that though there were references to the use of CRA ratings in the regulations, the financial institutions are required to do their own due diligence prior to investment as specified in the Regulations. The ratings serve as a supplementary input for risk assessment and hence there is no mechanistic reliance on ratings by the institutions. **Highlight main developments since last year's survey:** **Web-links to relevant documents:**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI.	**Enhancing and aligning accounting standards**				
15 (18)	Consistent application of high-quality accounting standards	Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)	Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are deemed to be equivalent to IFRSs as published by the IASB or are otherwise of a high and internationally acceptable quality, and provide accurate and relevant information on financial performance. They should also explain the system they have for enforcement of consistent application of those standards. Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: http://www.ifrs.org/Use-around-the-world/Pages/Analysis-of-the-G20-IFRS-profiles.aspx.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☑ **Implementation ongoing:** *Status of progress:* ☑ Draft in preparation, expected publication by: April, 2016 ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☐ **Implementation completed as of:** **Issue is being addressed through :** ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** **Highlight main developments since last year's survey:** The Authority has issued draft exposure on Accounting Regulations which provide for three bucket approach and will also provide detailed guidelines on accounting of derivative including	**Planned actions (if any) and expected commencement date:** India has made a commitment to converge to IFRS. The Union Finance Minister highlighted the need to implement accounting standards based on IFRS in his Budget announcement for 2014-15, declaring that corporates (other than banks, insurance and non-banking finance companies) would mandatorily require migrating to IFRS converged Indian Accounting Standards from April 1, 2016 onwards. IRDAI reviews the accounting guidelines for insurance industry from time to time and issues new guidelines/ modifications as per requirements. The Accounting standards as issued by the Institute of Chartered Accountants of India (ICAI) and notified by the Government are followed. IRDAI is working on amendments to accounting regulations to address various developments in the legislative framework i.e., the Insurance Laws (Amendment) Act, 2015 and the Companies Act 2013." **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Interest Swap Derivatives. **Web-links to relevant documents:**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
16 (19)	Appropriate application of Fair Value Accounting	Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak. (Rec. 3.4, FSF 2009) Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements. (Rec 3.5, FSF 2009)	Jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting. Although not an application of fair value accounting, jurisdictions should additionally be mindful of implementation issues arising from the new accounting requirements for expected loan loss provisioning for impaired loans that are being introduced by the IASB and the FASB, and, for those jurisdictions where specific action is needed to foster transparent and consistent implementation, set out any steps they intend to take. See, for reference, the following BCBS documents: • *Basel 2.5 standards on prudent valuation (Jul 2009)* • *Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)*	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☑ **Implementation ongoing:** *Status of progress:* ☑ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☐ **Implementation completed as of:** **Issue is being addressed through :** ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** **Highlight main developments since last year's survey:** **Web-links to relevant documents:**	**If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:** **Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII.	**Enhancing risk management**				
17 (20)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington) National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008) Regulators and supervisors in emerging markets[3] will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009) We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)	Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices. Jurisdictions may also refer to FSB's *thematic peer review report on risk governance (Feb 2013)* and the BCBS *Peer review of supervisory authorities' implementation of stress testing principles (Apr 2012)* and *Principles for sound stress testing practices and supervision (May 2009).*	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☑ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☑ Draft published as of: May, 2015 (respect of NSFR) ☐ Final rule or legislation approved and will come into force on: ☑ Final rule (for part of the reform) in force since : (in respect of LCR being implemented) January 1, 2015. ☐ **Implementation completed as of:** **Issue is being addressed through :** ☐ Primary / Secondary legislation ☑ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** During the year 2014-15 significant progress has been made towards implementation of the two Basel III	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

[3] Only the emerging market jurisdictions that are members of the FSB may respond to this recommendation.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Liquidity Ratios, viz., LCR & NSFR, in India. While LCR (Liquidity Coverage Ratio) became applicable for Indian banks in a phased-in manner at a minimum requirement of 60% from January 1, 2015, a draft guideline issued in May 2015 by RBI has proposed to implement the NSFR (Net Stable Funding Ratio) at the minimum requirement of 100% from January 1, 2018 without any phase-in arrangement. The Reserve Bank has issued revised guidelines on stress testing to banks on December 2, 2013 in tune with BCBS guidelines, after considering the stress experienced by banks in India in the recent past. **Highlight main developments since last year's survey:** **Web-links to relevant documents:** https://rbi.org.in/scripts/NotificationUser.aspx?Id=8934&Mode=0 https://rbi.org.in/Scripts/bs_viewcontent.aspx?Id=3013 https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=8605&Mode=0	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
18 (22)	Enhanced risk disclosures by financial institutions	Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington) We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)	Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on *Enhancing the Risk Disclosures of Banks* and *Implementation Progress Report by the EDTF (Aug 2013)*, and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☑ **Implementation completed as of:** February, 2012 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☑ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** In terms of SEBI (Mutual Fund) Regulations, 1996, and SEBI master circular no. SEBI /CIR/ IMD/ DF/ 18/ 2014, dated October 1, 2014, disclosures are made in the Scheme Information Document (SID) relating to the financial instruments in which schemes invests. Risk associated with such instruments and risk mitigation measures are also	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				disclosed in SID. (IFRS 7) In terms of Eighth Schedule of SEBI (Mutual Fund) Regulations, 1996, the valuation of investments of the schemes is done by applying fair value principles. (IFRS 13) Requirements for risk disclosures have also been specified for Alternative Investment Funds, Portfolio Managers and Investment Advisers under their respective Regulations Investment in financial instrument and risk arising and management (IFRS 7): The requirement for disclosure in this regard is already in place in terms of SEBI (Mutual Fund) Regulations, 1996. Fair Value Measurement (IFRS13): Fair Value Principles were made effective by amending SEBI (Mutual Fund) Regulations, 1996, in February 2012. For the pension sector in clause 4.12 of Investment Management Agreement (IMA) and regulations no. 6 and schedule V of PFRDA (Pension Fund) Regulations 2015, certain public disclosure requirements have been laid down. **Highlight main developments since last year's survey:** **Web-links to relevant documents:** SEBI (Mutual Fund) regulations, 1996: http://www.sebi.gov.in/cms/sebi_data/commondocs/mfundsnew_p.pdf SEBI	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Master Circular no. SEBI /CIR/IMD/DF/18/2014, dated October 1, 2014: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1412152811369.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Strengthening deposit insurance					
19 (23)	Strengthening of national deposit insurance arrangements	National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	Jurisdictions should describe any revisions made to national deposit insurance system, including steps taken to address the following recommendations of the FSB's February 2012 *thematic peer review report on deposit insurance systems:* • Adoption of an explicit deposit insurance system (for those jurisdictions that do not have one) • Addressing the weaknesses and gaps to full implementation of the *Core Principles for Effective Deposit Insurance Systems* issued by IADI in November 2014	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☑ **Implementation ongoing:** *Status of progress:* ☑ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☐ **Implementation completed as of:** **Issue is being addressed through :** ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** **Highlight main developments since last year's survey:** DICGC is working on implementing Risk Based premium which may be completed by March 2017. **Web-links to relevant documents:**	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX.	**Safeguarding the integrity and efficiency of financial markets**				
20 (24)	Enhancing market integrity and efficiency	We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012. (Cannes)	Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets. Jurisdictions should indicate the progress made in implementing the recommendation in the following IOSCO reports in their regulatory framework: • *Regulatory issues raised by changes in market structure (Dec 2013)* • *Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011)* • *Report on Principles for Dark Liquidity (May 2011)*.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☑ **Implementation completed as of:** March 30, 2012 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☑ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** The recommendations put forward by IOSCO in its report on 'Regulatory issues raised by the impact on technological changes in market integrity and efficiency' dated October 2011 were taken into account while issuing guidelines for Stock Exchanges and Stock	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Brokers on 'algorithmic trading' in March 2012. I) Further to that, SEBI vide circular dated December 13, 2012 mandated pre trade risk controls such as: 1) Any order with value exceeding Rs. 10 crore (equivalent to approximately USD Million 1.6) per order shall not be accepted by the stock exchange for execution in the normal market. 2) Stock exchange need to ensure that stock brokers put-in place a mechanism to limit the cumulative value of all unexecuted orders placed from their terminals to below a threshold limit set by the stock brokers. 3) Stock exchanges need to ensure that the stock brokers are mandatorily put in risk-reduction mode when 90% of the stock broker's collateral available for adjustment against margins gets utilized on account of trades that fall under a margin system. Such risk reduction mode shall include the following: (a) All unexecuted orders shall be cancelled once stock broker breaches 90% collateral utilization level. (b) Only orders with Immediate or Cancel attribute shall be permitted in this mode. (c) All new orders shall be checked for sufficiency of margins. (d) Non-margined orders shall not be accepted from the	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				stock broker in risk reduction mode. (e) The stock broker shall be moved back to the normal risk management mode as and when the collateral of the stock broker is lower than 90% utilization level. II) SEBI vide circular dated December 19, 2012 has realigned the BMC requirements with the risk profiles of the stock brokers / trading members in cash / derivative segment of the stock exchange. III) SEBI vide circular dated February 14, 2013 introduced periodic call auction for illiquid scrips in the equity market. In the recent past SEBI has taken following measures in consultation with the stock exchanges: SEBI has advised the Exchanges to put a penalty of Rs. 10,000 on brokers who execute trades on behalf of clients without uploading UCC and PAN details of such clients. Companies are required to make disclosures in respect of price sensitive information to stock exchanges particularly flowing from SEBI (Prohibition of Insider Trading) Regulations, and Listing agreement. SEBI advised the exchanges to put in place a secure mode of filing of information so that the authenticity of the source of the information is ascertained by the exchanges before disseminating	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				the same. In order to discharge their surveillance responsibilities effectively, SEBI has reviewed and strengthened the Surveillance Committee of the stock exchanges. SEBI has mandated all Exchanges to disseminate for each derivative stock, the combined open position of group of connected entities, on the respective Exchange website, twice a month without disclosing the individual names. The criteria for determining connected entities and methodology for dissemination of combined positions have also been prescribed by SEBI. In order to arrest any further misconduct in the market by trading entities, it was decided that the exchanges shall issue observation letter/caution letter to such entities whose behaviour is found to be aberrant and prima facie does not appear to be in conformity with the extant securities law governing the securities market. SEBI advised the exchanges to put in place systems to prevent leakage of information. As a surveillance measure the exchanges were advised to apply price bands on stocks which do not have derivative products available on them but are forming part of the index on which	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				derivative products are available, in case such stock witness sharp intraday movements. In the pension sector, prudential guidelines for investment /disclosures aimed at enhancing market efficiency and integrity have been laid down. **Highlight main developments since last year's survey:** • Co-location/proximity hosting facility offered by stock exchanges With regard to Co-location/ proximity hosting facility, stock exchanges were inter alia advised to: o Provide co-location/ proximity hosting in a fair, transparent and equitable manner. o ensure that all participants who avail co-location/proximity hosting facility have fair and equal access to facilities and data feeds provided by the stock exchange. o ensure that all stock brokers and data vendors using co-location/proximity hosting experience similar latency with respect to exchange provided infrastructure. o facilitate stock brokers to receive data feeds from other recognised stock exchanges at the co-location facilities and allow routing of orders to other recognised stock exchanges from the co-location facilities.	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				• Modification to Index based market-wide circuit breaker mechanism of Stock exchanges With the view to further strengthen the mechanism of index based market-wide circuit breaker implemented by stock exchanges, were advised to compute their market-wide index after every trade in the index constituent stocks and to check for breach of market-wide circuit breaker limits after every such computation of the market-wide index. • Risk Management Policy at the Depositories Depositories are advised to establish a clear, comprehensive and well documented risk management framework which shall include the following: o an integrated and comprehensive view of risks to the depository including those emanating from participants, participants' clients and third parties to whom activities are outsourced etc.; o list out all relevant risks, including technological, legal, operational, custody and general business risks and the ways and means to address the same; o the systems, policies and procedures to identify, assess, monitor and manage the risks that arise in or are borne by the depository ; o the	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				depository's risk-tolerance policy; o responsibilities and accountability for risk decisions and decision making process in crises and emergencies. • Modification of client codes of non-institutional trades executed on stock exchanges (All Segments) Based on the representations received from market participants to review the penalty structure for client code modifications of non-institutional trades, stock exchanges were permitted to waive penalty for client code modification in cases where stock broker is able to produce evidence to the satisfaction of the stock exchange to establish that the modification was on account of a genuine error. However, it was clarified that not more than one such waiver per quarter may be given to a stock broker for modification in a client code. It was further clarified that Proprietary trades shall not be allowed to be modified as client trade and vice versa. **Web-links to relevant documents:** http://www.sebi.gov.in/cms/sebi_data/attachdocs/1355406529538.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1355915021615.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1360851620748.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				http://www.sebi.gov.in/cms/sebi_data/attachdocs/1431512252858.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1421059348668.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1413882409070.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1421059410188.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (25)	Regulation and supervision of commodity markets	We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012. (Cannes) We also call on Finance ministers to monitor on a regular basis the proper implementation of IOSCO's principles for the regulation and supervision on commodity derivatives markets and encourage broader publishing and unrestricted access to aggregated open interest data. (St. Petersburg)	Jurisdictions should indicate whether commodity markets of any type exist in their national markets. Jurisdictions should indicate the policy measures taken to implement the principles found in IOSCO's report on *Principles for the Regulation and Supervision of Commodity Derivatives Markets (Sep 2011)*. Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the update to the survey published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☑ **Implementation completed as of:** December 11, 2014 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☑ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** The Forward Markets Commission was recently merged with SEBI (September 2015). Securities and Exchange Board of India (SEBI) commenced regulating the commodity derivatives market under Securities Contracts Regulation Act (SCRA) 1956 with effect from 28th September, 2015 and the Forward Contracts Regulation Act (FCRA) 1952	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				got repealed with effect from 29th September, 2015. The commodities market entities have been provided a timeframe of up to one year to adjust to the new regulations as applicable are applicable to SEBI Earlier the ex- regulator for commodity futures market (FMC) had issued new guidelines with respect to the methodology for computing ex-ante position limits vide its circular no. 6/1/2013/MKT-I dated. 22nd October, 2014 and revision of numerical position limits dated11th December 2014. The draft of the proposal for computation of position limits was placed on the website of the Commission for public comments on 13th March 2014. The responses received from the public and the commodity futures exchanges on the draft proposal were carefully considered and the following has been implemented with effect from 22nd October, 2014: 1. **Hedgers' participation**: The hedgers' participation in the market is very important as more and more actual users would provide depth and liquidity in the market which would enhance the credibility of price discovery and price	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				risk management. The Exchanges had already been authorized to permit higher position limits to hedgers subject to submission of sufficient documentary evidences in support of their hedging needs. The Commission has also exempted hedgers who make early pay-in of commodities from payment of any margin except Mark to Market margin. In order to promote hedging and arbitrage activities on Exchanges, it has been decided that: i) The hedgers/sellers who have made early pay-in of commodities against sale position at the Exchange even before the staggered delivery period sets in, the quantity so delivered in early pay-in and marked for delivery shall be excluded in computation of the position limits. ii) In order to encourage the spread trades which are off-setting position between different months in the same contract and which provide much needed liquidity, the positions in the same contract or contracts on same commodity shall be netted out. The netting out shall be permitted even in the near month contract with the off-setting position in the far months. **2. Computation of Position Limits:** i) In case of agricultural commodities, overall	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Exchange wide Gross position limit shall be capped at 50 % of the estimated production and Imports. The annual estimates for production and imports would be sourced from the estimates published by Institutions/ Agencies/ Departments of Central and State Governments. ii) Member level position limit shall be 10 times of the client level position limit or 20% of the market wide open interest whichever is higher. iii) Client level position limit shall be the numerical position limits as decided from time to time or 5% of the market wide open interest whichever is higher. For the present, the numerical position limits as existing shall be continued.(iv) In case of agricultural commodities and agricultural products, the client level position limit shall be limited to 1% of the total production and import. Such limits shall be decided by the Commission and shall be disclosed by the Exchange on their website on year to year basis. v) The near month limits in case of agricultural commodities and agricultural products shall be restricted to 50% of the overall position limits. The near month position limit restriction to 50% of the overall position limit will be reviewed after a	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				period of 6 months for progressively moving towards 100% of the overall position limits, with the growth of liquidity and volumes in the market. vi) The position shall be netted out at the client level and grossed up at the member level for the purpose of computation of position limits. **3. Transparency:** In order to encourage dissemination of information and to promote transparency in the markets to deter any manipulation, the following parameters have been prescribed: i) The Exchange shall disclose position of top 10 trading clients in buy side as well as sell side in order of maximum open interest in anonymous manner every day after the end of trading session. ii) The Exchanges shall disclose on their website the hedge position allocated to various hedgers. iii) The Exchange shall disclose the delivery intent of the hedgers on their website on a daily basis in an anonymous manner. iv) The Exchange shall disclose on their website, the pay-in and pay-out of commodities made by top 10 clients including hedgers on their website 10 days after completion of settlement, for the information of the market. **4**. The Ex-ante numerical position limits	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				for a few agricultural commodities were reviewed (refer para 2(iii)) above and modified vide Commissions Circular dated 11th Dec, 2014. **Highlight main developments since last year's survey:** The Forward Markets Commission, the regulator for commodity futures market issued new guidelines with respect to the methodology for computing ex ante position limits vide its circular no. 6/1/2013/MKT-I dated22nd October, 2014 and revision of numerical position limits dated11th December 2014. The draft of the proposal for revision of position limits was placed on the website of the Commission for public comments on 13th March, 2014. The responses received from the public and the commodity futures exchanges were carefully considered and the following has been implemented with effect from 22nd October, 2014: 1. **Hedgers' participation**: The hedgers' participation in the market is very important as more and more actual users would provide depth and liquidity in the market which would enhance the	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				credibility of price discovery and price risk management. The Exchanges had already been authorized to permit higher position limits to hedgers subject to submission of sufficient documentary evidences in support of their hedging needs. The Commission has also exempted hedgers who make early pay-in of commodities from payment of any margin except Mark to Market margin. In order to promote hedging and arbitrage activities on Exchanges, it has been decided that: i) The hedgers/sellers who have made early pay-in of commodities against sale position at the Exchange even before the staggered delivery period sets in, the quantity so delivered in early pay-in and marked for delivery shall be excluded in computation of the position limits. ii) In order to encourage the spread trades which are off-setting position between different months in the same contract and which provide much needed liquidity, the positions in the same contract or contracts on same commodity shall be netted out. The netting out shall be permitted even in the near month contract with the off-setting position in	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				the far months. **2. Computation of Position Limits:** i) In case of agricultural commodities, overall Exchange wide Gross position limit shall be capped at 50 % of the estimated production and Imports. The annual estimates for production and imports would be sourced from the estimates published by Institutions/ Agencies/ Departments of Central and State Governments. ii) Member level position limit shall be 10 times of the client level position limit or 20% of the market wide open interest whichever is higher. iii) Client level position limit shall be the numerical position limits as decided from time to time or 5% of the market wide open interest whichever is higher. For the present, the numerical position limits as existing shall be continued.(iv) In case of agricultural commodities and agricultural products, the client level position limit shall be limited to 1% of the total production and import. Such limits shall be decided by the Commission and shall be disclosed by the Exchange on their website on year to year basis. v) The near month limits in case of agricultural	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				commodities and agricultural products shall be restricted to 50% of the overall position limits. The near month position limit restriction to 50% of the overall position limit will be reviewed after a period of 6 months for progressively moving towards 100% of the overall position limits, with the growth of liquidity and volumes in the market. vi) The position shall be netted out at the client level and grossed up at the member level for the purpose of computation of position limits. **3. Transparency:** In order to encourage dissemination of information and to promote transparency in the markets to deter any manipulation, the following parameters are prescribed: i) The Exchange shall disclose position of top 10 trading clients in buy side as well as sell side in order of maximum open interest in anonymous manner every day after the end of trading session. ii) The Exchanges shall disclose on their website the hedge position allocated to various hedgers. iii) The Exchange shall disclose the delivery intent of the hedgers on their website on a daily basis in an anonymous	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				manner. iv) The Exchange shall disclose on their website, the pay-in and pay-out of commodities made by top 10 clients including hedgers on their website 10 days after completion of settlement, for the information of the market. **4.** The Ex-Ante numerical position limits on a few agricultural commodity contracts traded on the exchanges were reviewed and modified vide Commissions circular dated 11th December, 2014. **Web-links to relevant documents:** http://www.sebi.com http://fmc.gov.in/show_file.aspx?linkid=Open%20Position%20Limits%20_22_10-785559859.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
22 (26)	Reform of financial benchmarks	We support the establishment of the FSB's Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO's Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)	Collection of information on this recommendation will continue to be deferred given the forthcoming FSB progress report on implementation of the FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the IOSCO Principles for Financial Benchmarks.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X.	**Enhancing financial consumer protection**				
23 (27)	Enhancing financial consumer protection	We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions. (Cannes)	Jurisdictions should describe progress toward implementation of the OECD's *G-20 high-level principles on financial consumer protection (Oct 2011)*. Jurisdictions may also refer to OECD's September 2013 and September 2014 reports on effective approaches to support the implementation of the High-level Principles.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since : ☑ **Implementation completed as of:** March 31, 2014 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☑ Regulation /Guidelines ☑ Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** In the Banking sector, RBI introduced Banking Ombudsman Scheme as an Alternate Dispute Redressal Mechanism which is a cost free redressal mechanism for resolution of complaints of common bank customers. It has established 15 offices of Banking Ombudsmen covering	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				all States and Union Territories. The RBI has set up Banking Codes and Standards Board of India as an autonomous body which sets out minimum standards for banking services in India for individuals and Micro and Small Enterprises. RBI has set up Consumer Education and Protection Department to monitor customer service in banking industry. The department is also tasked with imparting consumer education especially oriented at creating awareness about Banking Ombudsman Scheme and fictitious offers of money through emails/SMSs and other modes of communications. RBI has formulated and released the Charter of Customer Rights in December 2014 which enshrines broad, overarching principles for protection of bank customers and enunciates the 'five' basic rights of bank customers. These are: (i) Right to Fair Treatment; (ii) Right to Transparency; Fair and Honest Dealing; (iii) Right to Suitability; (iv) Right to Privacy; and (v) Right to Grievance Redress and Compensation. To strengthen the grievance redressal mechanism available to bank customers,	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				RBI advised all Public Sector banks and major Private Sector and Foreign banks to appoint Internal Ombudsman. RBI has released master Circular on Customer Service in July 2014 and placed on its website. This is a compendium of all instructions/guidelines issued to banks on various customer service issues. The Master Circular is updated every year. RBI has also placed its website FAQs on various important subjects of customer interests. SEBI Act, 1992 provides for imposition of monetary penalty for non-redressal of investor grievances. All intermediaries registered with SEBI are mandated by relevant regulations, code of conduct to have a complaint redress mechanism including the timelines for redressal of complaints. SEBI displays on its website names of the companies against whom enforcement orders are passed for non-redressal of investor grievances. SEBI through amendment in January 2014 to the Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations 2009, has provided that the amount disgorged by SEBI on	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				account of violation of Securities Law will be credited to SEBI Investor Protection and Education Fund (IPEF). Such disgorged amount credited to SEBI Investor Protection and Education Fund will be utilized for restitution of eligible and identifiable investors who have suffered losses resulting from violation of Securities Law. Further, the disgorged monies left in the SEBIIPEF after earmarking the amount for the process of restitution to eligible and identifiable investors will be utilised for other purposes of investor's welfare including investor education and awareness. Progress to date including last FY: 1. Complaint redress system in Securities Market SEBI has put in effect a centralized, web based grievance redress system i.e, SCORES (SEBI Complaints Redress System). The URL of the same is (http://scores.gov.in). SCORES enables investors to lodge and follow up their complaints and track the status of redressal of such complaints online from the above website. Investor not familiar or doesn't have access to SCORES, can lodge complaint in physical form at any of the SEBI offices. Such complaints are scanned and uploaded in SCORES for	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				processing. Further, Ministry of Finance /Centralized Public Grievance and Redress Monitoring System (CPGRAMS) of Government of India has links with SCORES, and complaints lodged on Government of India portals are seamlessly transferred to SCORES. If the progress of the redessal of investor grievances by an entity is not satisfactory, appropriate enforcement actions (including adjudication, direction, prosecution etc) are initiated against such defaulting entities. Such details are made available on SEBI website. All Self regulated organizations like Stock Exchanges, Depositories have been mandated to have independent Arbitration mechanism. If the grievance is not resolved by the Stock Exchange/Depository due to disputes, an investor can file arbitration subject to the Bye-laws, Rules and Regulations of the Exchange/Depository. 2. Investor Education and Awareness activities: SEBI has carried various educational and awareness activities, as part of below heads during last FY: a) Dedicated investor Website - http://investor.sebi.gov.in	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				b) Workshops/seminars aiming at investor education, conducted by SEBI and through Stock Exchanges and Depositories or various bodies like Association of Mutual Funds of India (AMFI). c) Financial education workshops through SEBI empanelled Resource Persons on pan India Level d) Visit to SEBI – school, college and professional students e) Toll free helpline for assistance to investors, and information with respect to securities market f) Mass Media Campaign involving awareness activities in form of broadcast/publication of advertisement on relevant topics of investor awareness, through popular media vehicles viz, TV, Radio and Newspapers. So far various media campaigning aiming to create awareness above relevant issues have been undertaken viz, Investor Grievance Redress Mechanism, Collective Investment Schemes. g) Implementations of National Strategy on Financial Education: Regulators (including SEBI), Central and State	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				governments, financial market players, professional institutes, NGOs, Educational boards and institutions etc are the stakeholders to implement the National Strategy on Financial Education. The 5 year Action plan for National Strategy on Financial Education is proposed to be implemented through National Centre for financial Education (NCFE), to be formed initially under National Institute of Securities Markets (NISM), the educational arm of SEBI. NCFE has a dedicated website with URL http://www.ncfeindia.org/. In the insurance sector, IRDAI seeks to empower consumers by educating them regarding details of the procedures and mechanisms that are available for grievance redressal as well as their Rights and Obligations as policyholders. Policyholders shall be provided with inexpensive and speedy mechanisms for complaints disposal and the IRDAI (Protection of Policyholders Interests) Regulations, 2002 require insurance companies to have in place, effective and speedy grievance redress mechanisms. IRDAI has issued Guidelines for Grievance Redressal, which lay down specific timeframes and turnaround times	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				(TATs) for response, resolution etc., which will further strengthen the redressal systems insurers already have in place. The effectiveness of the mechanisms needs to be monitored by the Regulator. To enable this as well as create a central repository of industry-wide insurance grievance data, IRDAI has implemented the Integrated Grievance Management System (IGMS). The Protection of Policyholder's Interest Regulations prescribes claims procedures to be adhered to by insurers and the TAT's within which various procedures in claims settlement are to be completed. These regulations also provides for payment of penal interest. The above regulations also provide for a free look cancellation option to the policyholders, vide which a policyholder can cancel his policy if he is not satisfied with the policy within 15 days of receipt of policy document by him/her. This provision aims at protecting policy holders from misselling tactics of agents /intermediaries. Besides the above, there is an Insurance Ombudsman scheme created by Government of India for individual policyholders to have their complaints settled out of the courts	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				system in a cost-effective, efficient and impartial way. There are 12 Insurance Ombudsman in different locations and a policyholder can approach the one having jurisdiction over the location of the insurance company office that he/she have a complaint against. IRDAI is working with Central Government for modification of Redressal of Public Grievance Rules, 1998 to further strengthen the institution of insurance Ombudsman created by Government of India with the purpose of quick disposal of the grievance of the insured customers. In the pension sector, existing guidelines lay down various measures for consumer protection which have been further strengthened in the regulations after notification of the PFRDA Act. A centralised grievance Redressal mechanism is already in place to deal with consumer grievances in NPS system in a time bound manner. Separate Grievance Redressal and regulations envisaging a 2 tier Grievance Redressal mechanism for all intermediaries. Ombudsman to be appointed. Code of conduct for all intermediaries. All principles of Consumer protection as laid down in the Financial Sector	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Legislative Reform Commission (FSLRC) have been incorporated in the Regulations. **Highlight main developments since last year's survey:** In the Banking sector, release of Charter of Customer Rights in December 2014.Instructions to appoint Internal Ombudsman by banks in July 2015. The Insurance (Amendment) Laws, 2015 enable the interests of consumers to be better served through provisions like those enabling penalties on intermediaries / insurance companies for misconduct and disallowing multilevel marketing of insurance products in order to curtail the practice of mis-selling. The amended Law has several provisions for levying higher penalties ranging from up to Rs.1 Crore to Rs. 25 Crore for various violations including mis-selling and misrepresentation by agents / insurance companies. Besides, the numbers of Insurance Ombudsman are increased to 17 from 12 last year. **Web-links to relevant documents:** http://rbi.org.in/commonman/English/Scri	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				pts/AgainstBank.aspx http://www.bcsbi.org.in/codes.html https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=32667 www.sebi.gov.in http://www.scores.gov.in/ http://investor.sebi.gov.in/ http://www.ncfeindia.org/ http://www.irda.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo50&flag=1 http://www.irda.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo69&flag=1 http://www.irda.gov.in/ADMINCMS/cms/frmGuidelines_Layout.aspx?page=PageNo787&flag=1 http://www.policyholder.gov.in	

XI. Source of recommendations:

Brisbane: G20 Leaders' Communique (15-16 November 2014)
St Petersburg: The G20 Leaders' Declaration (5-6 September 2013)
Los Cabos: The G20 Leaders' Declaration (18-19 June 2012)
Cannes: The Cannes Summit Final Declaration (3-4 November 2011)
Seoul: The Seoul Summit Document (11-12 November 2010)
Toronto: The G-20 Toronto Summit Declaration (26-27 June 2010)
Pittsburgh: Leaders' Statement at the Pittsburgh Summit (25 September 2009)
London: The London Summit Declaration on Strengthening the Financial System (2 April 2009)
Washington: The Washington Summit Action Plan to Implement Principles for Reform (15 November 2008)
FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience (7 April 2008)
FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System (2 April 2009)
FSB 2009: The FSB Report on Improving Financial Regulation (25 September 2009)
FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision (1 November 2012)

XII. List of Abbreviations used:

AIF: Alternative Investment Funds
AMC: Asset Management Company
AMFI: Association of Mutual Funds of India
AUM: Asset under Management
BCBS: Basel Committee on Banking Supervision
BMC: Base Minimum Capital
CCCB: Countercyclical Capital Buffer
CDS: Credit Default Swaps
CPGRAMS: Centralized Public Grievance and Redress Monitoring System
CRA: Credit Rating Agency
CRAR: Capital to Risk Weighted Assets Ratio
FC: Financial Conglomerates
FCMD: Financial Conglomerate Monitoring Divisions
FMC: Forward Market Commission
FSAP: Financial Sector Assessment Programme
FSDC: Financial Stability and Development Council
FSR: Financial Stability Report
FSU: Financial Stability Unit
HTM: Held to Maturity
IAIS: International Association of Insurance Supervision
IDF: Infrastructure Debt Fund
IFRS: International Financial Reporting Standards
IGMS: Integrated Grievance Management System
IMA: Investment Management Agreement
IOS: Industry Outlook Survey
IOSCO: International Organization of Securities Commissions

IPEF: Investor Protection and Education Fund
IRB: Internal Rating Based
IRDAI: Insurance Regulatory and development Authority of India
IRF: Inter-Regulatory Forum
LCR: Liquidity Coverage Ratio
MOU: Memorandum of Understanding
MTM: Market to Market
NAV: Net Asset Value
NBFC: Non-Banking Financial Corporation
NCFE: National Centre for Financial Education
NISM: National Institute of Securities Markets
NPS: New Pension System
NSFR: Net Stable Funding Ratio
OTC: Over the Counter
PAN: Permanent Account Number
PFRDA: Pension Fund Regulatory and Development Fund Authority
RBS: Risk-Based Supervision
SCORES: SEBI Complaint Redress System
SEBI: Securities and Exchange Board of India
SID: Scheme Information Document
SPV: Special Purpose Vehicle
SRMT: Systemic Risk Monitoring Template
TAT: Turnaround Time
UCC: Unique Client Code