Jurisdiction: India

2016 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 (1)	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 in IOSCO's *Report on Hedge Fund Oversight (Jun 2009), in particular recommendations 1 and 2.* In their response, 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. Jurisdictions can also refer to Principle 28 of the 2010 IOSCO *Objectives and Principles of Securities Regulation*, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐ 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:** 21.05.2012 **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	**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:**

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				of the Regulations. Every investor in 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:**	

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				Web-links to relevant documents: www.sebi.gov.in/cms/sebi_data/attachdocs/1337601524196.pdf	

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2 (2)	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 [for legislation and regulation/guidelines only]:* ☐ 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:** 22.04.2003 **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	**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:**

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				its registered intermediaries (including hedge funds), if the same is sought by the 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	

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				comply with various norms in the Regulations. Further, currently, the AIF 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	

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3 (3)	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 recommendation 3 of the IOSCO *Report on Hedge Fund Oversight (Jun 2009)*. In their responses, jurisdictions should not provide information on the portion of this recommendation that pertains to Basel III, since it is monitored separately by the BCBS. Jurisdictions can also refer to Principle 28 of the 2010 IOSCO *Objectives and Principles of Securities* Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐ 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	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

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				maximum leverage that can be undertaken by a Category III AIF (which 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	

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II. Securitisation					
4 (4)	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 monoline insurers (where these exist). 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 [for legislation and regulation/guidelines only]:* ☐ 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:** 21-03-2016 **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	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

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II. Securitisation					
				framework applicable for multiline 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:** The Insurance Laws (Amendment) Act 2015, has given wider powers to the Regulator to frame regulations in various areas which were earlier hardcoded in the legislation itself. Insurance Laws (Amendment) Act, 2015 provides for monoline insurance companies to carry out Health Insurance Business. The IRDAI (Registration of Indian insurance Companies) (Seventh Amendment) Regulations, 2016 have been notified on 21-03-2016 which provides for registration of Health Insurance companies as well	

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II.	**Securitisation**				
				Web-links to relevant documents: Web links provided for Insurance Act, 1938, IRDA Act, 1999 & Insurance Laws (Amendment) Act, 2015 and IRDA Registration (Registration of Indian Insurance Companies) Regulations, 2000: https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo107&flag=1 https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo108&flag=1 https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo2457&flag=1 https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo60&flag=1	

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5 (5)	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 products. 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 [for legislation and regulation/guidelines only]:* ☐ 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:** Investment Restrictions were in place since the inception of the SEBI (Mutual fund) regulations, 1996. However with time and needs the same is amended as deemed fit. Recent amendment (last amendment being on February 12, 2016)and position to regulations are as below 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. Insurance Regulatory and Development Authority of India (IRDAI) (Investment) Regulations, notification dated 14-08-2000 and Circular dated November 27, 2012	**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:**

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				Issue is being addressed through : ☐ Primary / Secondary legislation ☑ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: SEBI (Mutual Fund) Regulations, 1996 and circulars issued there under **Short description of the content of the legislation/ regulation/guideline:** In terms of regulation 43(1) of SEBI (Mutual Fund) Regulations, mutual funds are allowed to invest in securitised debt instruments, which are either asset backed or mortgage backed securities. Further, mutual fund scheme are not allowed to invest more than 10% of its NAV in mortgaged backed securitised 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 12% 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 upto 30% of its NAV in securitised debt	

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				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 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 evaluation 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	

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				applied while evaluating investment decision relating to a pool 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 Distribution: Distributors of Mutual Fund products 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	

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				Rs 100 Crore across industry in the non institutional category but including high networth individuals (HNIs) c) Commission received of over Rs 1 Crore p.a. across industry d) Commission received of over Rs 50 lakh 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 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	

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				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 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 of the distributors' group/affiliate/associates, the distributor is required to make disclosure to the	

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				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, 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	

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				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 '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 FULL DESCRIBTION AVAILABLE IN WORD DOCUMENT **Highlight main developments since last year's survey:** The investment restriction has been revised and reduced from 15% to 10% of NAV in mortgaged backed securitised debt issued by a single issuer which are rated not below investment grade by a credit rating agency registered with SEBI. Similarly the extension of this limit with the approval of trustees has been reduced from 20% to 12%.	

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				Web-links to relevant documents: SEBI (Mutual Fund) regulations, 1996: http://www.sebi.gov.in/cms/sebi_data/commondocs/mutualfundupdated06may2014.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1455513505225.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, 2015: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1430388883147.pdf 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 http://www.irda.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo63&flag=1 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 https://www.irdai.gov.in/ADMINCMS/c	

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				ms/Circulars_Layout.aspx?page=PageNo 1828&flag=1	

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6 (6)	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 and other initiatives taken in relation to enhancing disclosure of securitised products, including working with industry and other authorities to continue to standardise disclosure templates and considering measures to improve the type of information that investors receive. See, for reference, IOSCO's *Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012), Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010)* and *report on Global Developments in Securitisation Regulations (November 2012)*, in particular recommendations 4 and 5.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐ 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:** 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	**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:**

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				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 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	

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				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 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 As a	

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				measure to develop the securitized debt market and improve transparency, the Over The Counter (OTC) transactions in Securitized Debt Instruments are required to be reported by banks and PDs on the reporting platform of the stock exchanges and get settled through the clearing houses of the stock exchanges. 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 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	

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				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 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**	

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				year's survey: **Web-links to relevant documents:** Link to the press-release for the latest meeting of the FSDC (Jan-2016) http://finmin.nic.in/fsdc/Press_release_14th_meeting_FSDC.pdf Link to the press-release for the latest meeting of the FSDC-SC (Sep-2015) https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=34954 Link to the latest issue of FSR (Dec-2015) https://rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=835 http://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/IEPR155FDS0714.pdf http://finmin.nic.in/fsdc/StrucFSDC.pdf http://pfrda.org.in//MyAuth/Admin/showimg.cshtml?ID=353	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
III.	**Enhancing supervision**				
7 (7)	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. In their response to (3) above, jurisdictions should note any significant changes in their approach, strategy or practices to enhance SIFI supervision. Jurisdictions should mention, but not provide details on, policy measures that pertain to higher loss absorbency requirements for G/D-SIBs, since these are monitored separately by the BCBS. See, for reference, the following documents: BCBS: • *Framework for G-SIBs (Jul 2013)* • *Framework for D-SIBs (Oct 2012)* IAIS: • *Global Systemically Important Insurers: Policy Measures (Jul 2013)*	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐ 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:** Supervision of Financial Conglomerates (i) A financial conglomerate (FC) is generally defined as a group of entities under common control with predominant activities in two or more segments of 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
			and initial assessment methodology • *IAIS SRMP guidance - FINAL (Dec 2013)* • *Guidance on Liquidity management and planning (Oct 2014)* FSB: • *Framework for addressing SIFIs (Nov 2011)*	financial sector viz banking, insurance, securities, pension fund and non-banking. FCs may also include non-financial entities that are not subject to direct oversight or supervision from any of the financial sector regulators. (ii) Conglomerate supervision was initiated by RBI in 2005, based on the recommendations of the Working Group for Systemically Important Financial Intermediaries. Conglomerate banks were identified based on the suggested criteria and a monitoring system for capturing intra-group transactions and exposures was instituted. A mechanism for periodic exchange of information among domestic regulators was put in place under the aegis of the erstwhile High Level Coordination Committee for Financial Markets (HLCCFM) and a nodal cell was set up in RBI for smooth implementation of the oversight framework. (iii) The mechanism was further strengthened with the setting up of dedicated Financial Conglomerate 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	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				RBI, which included details of the group structure, financials of group entities, intra-group transactions and exposures, etc. iv) In 2010, the Financial Stability and Development Council (FSDC) was set up by Government of India for focused attention to financial stability issues. Under the aegis of the sub-committee of the FSDC, an Inter-Regulatory Forum (IRF) was set up in 2012 to function as a college of domestic supervisors for coordinated oversight of identified FCs in the Indian financial sector. The IRF is chaired by the Deputy Governor in charge of supervision at RBI and has high level representatives from domestic regulators viz RBI, SEBI, IRDA and PFRDA as members. A Memorandum of Understanding (MoU) for cooperation and information exchange in the oversight of FCs has also been signed among the regulators. (v) The FCs include bank-led, insurance company-led and securities company-led groups. For each FC group, a principal regulator (PR) and a designated entity (DE) have been identified for effective coordination of the oversight. vi) The IRF has identified 12 FCs in the Indian financial sector, which include five bank-	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				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 IRF coordinated oversight comprises; i) periodic discussion meetings of all four domestic regulators with the DE of the FC and key group entities, and ii) submission of quarterly off-site returns to the PR of the FC . The IRF members have also signed a formal MOU for forging cooperation in the field of supervision of FCs. The MOU outlines the roles/responsibilities of the four domestic regulators relating to sharing of information on FCs monitored by them, consolidated supervision, coordinated on-site inspections and crisis situations. (viii) 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	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Managers, the single point of contact in DBS for all supervisory matters. **Highlight main developments since last year's survey:** The mechanism is working well. The IRF has so far held fourteen meetings with the identified FCs since 2013. One leg of meeting with all the identified FCs have been completed and second leg of IRF meeting with the two bank-led FCs have been convened. Apart from three meetings of main IRF have also been convened so far. RBI's 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 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	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				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. 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 has disclosed 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 done on an annual basis. **Web-links to relevant documents:** https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=9327 https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/IPR545973FD04DDB0D4CBBAA84B3C45E1081DE.PDF	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
8 (8)	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, including the development of any joint supervisory plans within core colleges and leveraging on supervisory activities conducted by host authorities. See, for reference, the following documents: BCBS: • *Principles for effective supervisory colleges (Jun 2014)* • *Progress report on the implementation of principles for effective supervisory colleges (Jul 2015)* IAIS: • ICPs 24 and 25, especially guidance 25.1.1 – 25.1.6, *25.6, 25.7 and 25.8* • *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 [for legislation and regulation/guidelines only]:* ☐ 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:**	**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
				Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
9 (9)	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 [for legislation and regulation/guidelines only]:* ☐ 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:** 22.04.2003 **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:** (i) 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	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				of supervisory information among the authorities. As on date thrity two 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. (ii) A MOU was signed between the domestic regulators, viz RBI, SEBI,IRDAI and PFRDA in March 2013 to express their willingness to co-operate on the basis of the reciprocity as well as mutual trust and agree to base their co-operation in the field of Consolidated Supervision and monitoring of financial groups identified as Financial Conglomerates (FCs). The MOU is a statement of intent by the domestic regulators to collaborate, co-operate, share information, coordinate on-site examinations, consult on matters of mutual supervisory /regulatory interest 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. However, no provision of this MOU is intended to give rise to the right on the part of any person, entity or government authority, directly or indirectly, to obtain any information or	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				to challenge the execution of a request for information under this MOU. Furthermore, this MOU do not require any of the Authorities to provide information with respect to any matter, the disclosure or provision of which is restricted or prohibited by law or to provide assistance/ act in any manner which is restricted or prohibited by the law. As per the FSAP of India conducted in 2012, SEBI has been found as fully compliant with respect to IOSCO 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. The insurance regulator has notified the Regulations on Sharing of Information which includes such aspects as purposes	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				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 **Highlight main developments since last year's survey:** MOUs have been signed with regulators/supervisors from Seychelles, Maldives, Nepal, Botswana, UAE, Bangladesh, United Kingdom and Israel. On February 11, 2016, the IRDA has entered into a MoU with Insurance Authority of UAE with an objective of promoting mutual assistance and exchange of information between both parties. **Web-links to relevant documents:**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
10 (10)	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)	Jurisdictions should indicate any steps taken on recommendations 1, 2, 3, 4 and 7 (i.e. supervisory strategy, engagement with banks, improvements in banks' IT and MIS, data requests, and talent management strategy respectively) in the FSB thematic peer review report on supervisory frameworks and approaches to SIBs (May 2015).	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** *If " Not applicable " or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:* ☐ **Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐ 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:** SEBI has the power to suitably supervise its regulated entities since its inception. It does so through its regulations. Resource needs are a continuous and on-going function. However for the purpose of providing resources for commodities markets, the allocation was done via an internal circular issued in the month of September 2015 Notification of PFRDA Act in Feb,2014 Section 14(1) empowers PFRDA to take all steps in the interest of subscribers, systems and schemes. .	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				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) The High Level Steering Committee (HSLC) set up to review the Supervisory processes of commercial banks had recommended Risk-Based Supervision (RBS) of banks in its 2012 Report. (ii) The Committee has recommended that for undertaking key supervisory roles in specialized areas of risk management and modelling, treasury, credit, operational risk, and assuming the role of lead /principal inspecting officer, the supervisory staff should have an acceptable base level of knowledge /skill and experience especially those who are involved in supervision of banks having large and complex operations. Additionally, for undertaking general supervisory activities, accreditation with specific programs and training designed for AML /KYC, off-site supervision, customer service, accounting etc. is desirable. It has also recommended external agencies may be appointed, as required to train and equip staff. (para 6.8 – Supervisory Skills (HLSC Report dated June 2012); web link provided below) (iii) Based on the Committee's recommendations, the Department has intitiated the following steps: • Officers are regularly sent for various trainings/worksops on supervisory issues, both in India and abroad. • Sensitization	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				workshops on Risk Based Supervision are also regularly held for banks. (vi) In addition to the above, as part of the World Bank Knowledge Partnership project, trainings on RBS and other supervisory areas are proposed to be conducted. IRDA Act, 1999 empowers the Authority to regulate and develop the insurance industry independently by making regulations, guidelines and notifications within the framework of Insurance Act, 1938 and Insurance Rules, 1939. The legislative framework in this regard is available at the following link: https://www.irda.gov.in "The Insurance Laws (Amendment) Act 2015, has given wider powers to the Regulator to frame regulations in various areas which were earlier hardcoded in the legislation itself. This has given much needed flexibility to the insurance industry." In the pension sector, for macro prudential the Authority has formulated regulations in respect of Pension Funds, National Pension Trust, Trustee Bank, Central Recordkeeping Agency, Custodian of securities, Aggregators, Point of Presence, Redressal of subscribers' grievances etc. While framing all these regulations, the interest of subscribers has been the top most priority. The Authority also lays down the investments guidelines to guide the pension funds to manage the contributions of the subscribers. The investment guidelines set the prudential limits on each of the assets classes as per the risk profile. For a private investor not willing or unable to make a choice, Life Cycle fund with a premise of " reducing risk appetite with increasing age" has been provided as a default option. The Pension funds are mandated to invest in	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Equities that are listed and have derivatives on the exchange, to guard against any kind of illiquidity. The Pension funds are allowed to trade in Corporate bonds that are listed or proposed to be listed only. Investments can be made only in those Corporate bonds that have a minimum of AA rating and rated by minimum of two credit rating agencies. Further, prudential Guidelines of recognition and provisioning of Non Performing investments have been set up. The investment of funds is kept diversified with limits on exposure to a single group or related group, industry, instrument etc. Prudent regulations ensure that a healthy ecosystem is developed which is sustainable and systemically stable. The Regulations for the pension funds provide for a Corporate Governance framework which provides for an institutionalized and transparent decision making in the interest of subscribers, under the overall supervision of the respective Boards. (cont.) The tools and framework is being reviewed periodically and amended from time. For example the PFRDA recently set up a committee to review the Investment guidelines of the private sector and also suggest a whole host of measures to make the system robust and efficient. The Committee submitted its final report on 07.04.2015. In light of the recommendations of the Committee the investment guidelines for the pension fund managers, both managing funds for the public and private sector have been amended. Other recommendations of the Committee are being examined.	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Highlight main developments since last year's survey: Regular trainings/workshops on Risk Based Supervision have been conducted for Supervisory staff/bank officials. Considering the present work load of the departments, responsibilities, current manpower strength, etc. additional manpower requirement for a particular department is assessed and strengthening of the department is done accordingly. Pursuant to merger of Forwards Market Commission (FMC) with SEBI, three new departments namely Commodity Derivatives Market Regulation Department (CDMRD), Department Of Economic And Policy Analysis (DEPA) 2 and ISD 2 have been created to oversee work related to Commodity Derivatives market. Additionally, 15 new divisions have been created. Adequate manpower has been allocated to ensure effective functioning and all departments are being headed by officer in the rank of CGM. SEBI Act, 1992, SEBI (Intermediaries) Regulations, 2008 and various Regulations for different intermediaries viz. brokers, merchant bankers, depository participants, sub-brokers, etc. mandates SEBI to conduct inspections of intermediaries, call for information and take necessary action as deemed fit. The Act also specifies that the Board shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in matters of calling for information, production of documents, summoning people, etc. Further, the Act, various regulations and the SEBI (Intermediaries) Regulations, 2008 gives the Board the power to take action against the	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				intermediaries, pursuant to inspection, as deemed fit. Further, intermediaries have been mandated to identify and manage risks faced by them, conduct risk based due diligence of clients while on-boarding and in monitoring clients' trades. The intermediaries are required to submit details of financials on periodic basis to SEBI/ SROs. Stock brokers are required to maintain various deposits with the exchange to assist in the event of default. Exchanges and Depositories have been asked to conduct inspections of intermediaries based on their risk assessment. They also conduct training programs for the staff of brokers and depositories to train them on various operational aspects including risk management. **Web-links to relevant documents:** HLSC Report (June 2012) https://www.rbi.org.in/scripts/PublicationReportDetails.aspx?ID=663#C6 The SEBI Act can be accessed on the SEBI website www.sebi.gov.in under the link Legal Framework Acts. The web link is as follows: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1456380272563.pdf Various Regulations can be accessed on the SEBI website www.sebi.gov.in under the link Legal Framework Regulations. The web links are as follows: Merchant Bankers - http://www.sebi.gov.in/cms/sebi_data/commondocs/mbreguamendmarch2012_p.pdf Stock Brokers and Sub-brokers - http://www.sebi.gov.in/cms/sebi_data/commondocs/stockbroamendregu_p_p.pdf Depository Participants - http://www.sebi.gov.in/cms/sebi_data/commondocs/DPRegulations.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				http://www.sebi.gov.in/cms/sebi_data/attachdocs/1295933371907.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1394617837142.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1432638310942.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1366194098437.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1430992306107.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1354880858992.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1355915021615.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1391764467092.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV.	**Building and implementing macroprudential frameworks and tools**				
11 (11)	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 global financial crisis, particularly 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 [for legislation and regulation/guidelines only]:* ☐ 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 and March 19, 2012 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☑ Other actions (such as supervisory actions), please specify: Committee set up by Financial Stability Development Council. An Inter-Regulatory Forum (IRF) has been	**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
				established under the aegis of Sub-Committee of FSDC as a college of 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, IRDA 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. **Short description of the content of the legislation/ regulation/guideline:** a) Institutional mechanism for monitoring systemic risk across financial system is in place since 2010 in the form of Financial Stability and Development Council (FSDC), its Sub-Committee (FSDC-SC) and Sub-Groups of the FSDC-SC. b) Dedicated monitoring of financial conglomerates through one of the sub-groups of the FSDC-SC c) Macro-prudential surveillance of the financial system carried out on an on-going basis	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				using state-of-the-art analytical tools and techniques. The results are also disseminated in public domain through Financial Stability Reports. The MOU is a statement of intent by the Authorities 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 Financial Conglomerates, as a part of the Financial Conglomerates monitoring framework. In India, Financial Conglomerate (FC) is a Group which has significant presence in at least two financial market segments (Banking, Capital Market, Insurance, Pension, Non-Banking Finance) regulated by more than one of the Authorities/Regulators or otherwise so identified due to its significance to the financial system. Each Authorities/Regulators would endeavour and co-operate to share and reciprocate information relating to the analysis of the financial condition, risk management systems, internal controls, capital base, liquidity and funding resources of the Financial Conglomorate under its respective supervisory jurisdiction.	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Financial Stability Development Council (FSDC) was established to institutionalize and strengthen the mechanisms for maintaining financial stability, financial sector development without prejudice to the existing mandates and autonomy of the regulators. The FSDC is chaired by the Union Finance Minister, with the financial regulators as its members. Within the umbrella of the FSDC a subcommittee on inter-regulatory coordination has been set up. It comprises the representatives from regulatory agencies (Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), IRDA of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA)). In India, Financial Conglomerate (FC) is a Group which has significant presence in at least two financial market segments (Banking, Capital Market, Insurance, Pension, Non-Banking Finance) regulated by more than one of the Authorities/Regulators or otherwise so identified due to its significance to the financial system. Each Authorities/ Regulators would endeavour and co-operate to share and reciprocate information relating to the analysis of the	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				financial condition, risk management systems, internal controls, capital base, liquidity and funding resources of the Financial Conglomerate under its respective supervisory jurisdiction. A Memorandum of Understanding (MoU) was signed by the financial sector regulators RBI, SEBI, IRDAI & PFRDA in March 2013 to forge greater cooperation in the field of consolidated supervision and monitoring of financial groups identified as financial conglomerates. The PFRDA Act, 2013 also empowers (section 14) PFRDA to call from information, undertake inspection and conduct inquires and investigations to protect the interests of subscribers of such System and schemes. Regarding FSDC, the Sub Committee of the FSDC is assisted by different Groups/Technical Groups namely; Inter regulatory technical group, Technical Group on financial inclusion and financial literacy, Inter regulatory forum for monitoring financial conglomerates and the Early Warning Group. The FSDC has held 14 meetings and the Sub-committee of FSDC has held 17 meetings, since inception. Once the decision is made by FSDC the member	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				regulator/organisation on whom the onus falls is obliged to carry forward the decision and take necessary actions. Inter regulatory technical group is a technical group set up, in September 2011 as per the terms of the decision of the 3rd meeting of the FSDC Subcommittee meeting held on 16th August 2011, for inter-regulatory coordination among the financial sector regulators. The Group is headed by ED in charge of Financial Stability, RBI and members being ED/CGM level officers of the other regulators. The working of this Group is routinely presented, for information, to the FSDC Sub-committee. Technical Group on Financial Inclusion and Financial Literacy (TGFIL) has been set up in November 2011 as per the terms of the decision of the 3rd meeting of the FSDC Sub-committee meeting held on 16th August 2011. The Group is chaired by DG, RBI in charge of financial stability and has representatives from all regulators (at the level of ED/CGM) as well as from DEA and DFS (at the level of Joint Secretary).The group has held 12 meetings so far. The group has held 12 meetings so far. A Macro Financial Monitoring Group (MFMG) chaired the	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Chief Economic Adviser was set up in 16th May 2012 which meets regularly in DEA to discuss any specific emergent issues. **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). Meeting of IRF members with 9 FC group entities	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				were held in FY 2015-16 (till March 21, 2016). Since last survey between period i.e., July 2015-March, 2016, meetings with 3 insurance FC group entities were held. **Web-links to relevant documents:**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (12)	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 [for legislation and regulation/guidelines only]:* ☐ 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: SEBI has developed a Systemic Risk Monitoring Template (SRMT), which consists a number of indicators relating to various segments of securities market as well as the economy. The same is reviewed periodically to keep it contemporary and relevant. Some of the indicators incorporated to the Template, subsequent to the last review are Comparison of Average Monthly Return	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				of Major Indian Indices with International Indices, Comparison of change in P/E ratio of Major Indian Indices - Domestic and International, Monthly Average Movement of Rupee, Open Interest as a percentage of Average Daily Turnover in all derivative segments, Exposure of Mutual Funds to downgraded corporate bonds as a share of Total Downgraded Debt, etc. **Short description of the content of the legislation/ regulation/guideline:** 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. In the pension sector, for macro prudential the Authority has formulated regulations in respect of Pension Funds, National Pension Trust, Trustee Bank, Central Recordkeeping Agency, Custodian of securities, Aggregators, Point of Presence, Redressal of subscribers' grievances etc. While framing all these regulations, the interest of subscribers has	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				been the top most priority. The Authority also lays down the investments guidelines to guide the pension funds to manage the contributions of the subscribers. The investment guidelines set the prudential limits on each of the assets classes as per the risk profile. For a private investor not willing or unable to make a choice, Life Cycle fund with a premise of " reducing risk appetite with increasing age" has been provided as a default option. The Pension funds are mandated to invest in Equities that are listed and have derivatives on the exchange, to guard against any kind of illiquidity. The Pension funds are allowed to trade in Corporate bonds that are listed or proposed to be listed only. Investments can be made only in those Corporate bonds that have a minimum of AA rating and rated by minimum of two credit rating agencies. Further, prudential Guidelines of recognition and provisioning of Non Performing investments have been set up. The investment of funds is kept diversified with limits on exposure to a single group or related group, industry, instrument etc. Prudent regulations ensure that a healthy ecosystem is developed which is	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				sustainable and systemically stable. The Regulations for the pension funds provide for a Corporate Governance framework which provides for an institutionalized and transparent decision making in the interest of subscribers, under the overall supervision of the respective Boards. The tools and framework is being reviewed periodically and amended from time. For example the PFRDA recently set up a committee to review the Investment guidelines of the private sector and also suggest a whole host of measures to make the system robust and efficient. The Committee submitted its final report on 07.04.2015. In light of the recommendations of the Committee the investment guidelines for the pension fund managers, both managing funds for the public and private sector have been amended. Other recommendations of the Committee are being examined. **Highlight main developments since last year's survey:** In First Bi-Monthly Monetary Policy Statements of the RBI for 2015-16 and, it was announced that after carrying out empirical study using the Countercyclical Capital Buffer (CCCB) indicators, imposition of CCCB for banks in India	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				was not required. Similarly, in the First Bi-Monthly Monetary Policy Statements of the RBI for 2016-17, it was announced that after review and empirical testing of CCCB indicators, it has been decided that CCCB need not be activated at this point in time 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 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	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				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 CRE was brought down to 100% in November 2008 In June 2013, a new sub-sector CRE-Residential Housing (RH) was carved out from CRE with a lower RW of 75%. LTV ratio for housing loans has also been used as a macro-prudential tool by RBI, with high LTV ratio for low cost houses and low LTV ratio for high cost houses in order to ensure adequate margins of home buyers. The recent such review took place in October 2015. 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	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				exposures and loans and advances to the NBFCs. 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. Details of macro prudential action taken by RBI is attached in the Annex A along with MS word file sent through mail **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	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V.	**Improving oversight of credit rating agencies (CRAs)**				
13 (13)	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	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) (including governance, training and risk management)* 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)* Jurisdictions should take into account the outcomes of any recent FSAP/ROSC assessment against those principles.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐ 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:** 07.07.1999 **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	**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
		obligations for CRAs) as early as possible in 2010. (FSB 2009) We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)		conflict of interest, etc. Furthermore, 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's 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	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				for governing its internal operations and 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 nothave 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.	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Transparency & Disclosure – SEBI has issued guidelines wherein transparency 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. In the Pension Sector the investment guidelines prescribed by PFRDA provides for investments under specified category as per only in such securities which have minimum AA or equivalent rating in the applicable rating scale from at least two credit rating	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				agencies registered by the Securities and Exchange Board of India under Securities and Exchange Board of India (Credit Rating Agency) Regulations, 1999. However, the Pension Funds are mandated to undertake their own due diligence before making an investment and not rely solely on the Credit ratings. **Highlight main developments since last year's survey:** SEBI has recently notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Under the Regulation following clauses will strengthen regulatory framework for CRAs in India 1. The review of rating obtained by the listed entity with respect to non-convertible debt securities has to be carried out at least once in a year. This inclusion will require CRAs to periodically review the outstanding ratings. 2. Listed entities are required to co-operate with and submit correct and adequate information to CRAs. This inclusion will bring down the instances of non-cooperation by listed companies while sharing information with CRAs. 3. Listed entities are required to intimate Debenture Trustees (DT) promptly about	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities. This inclusion will lead to quicker identification of Defaults as DTs are required by SEBI to share this information with CRAs. **Web-links to relevant documents:** http://www.sebi.gov.in/acts/CreditRatingAgencies.pdfhttp://www.sebi.gov.in/acts/creditratingamend.pdf http://www.sebi.gov.in/acts/craamend.html http://www.sebi.gov.in/acts/craamend2010.pdf http://www.sebi.gov.in/acts/cranotification.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1441284401427.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (14)	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	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. Any revised action plans should be sent to the FSB Secretariat so that it can be posted on the FSB website. 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 2015)* • IAIS ICP guidance 16.9 and 17.8.25 • IOSCO *Good Practices on Reducing Reliance on CRAs in Asset Management (June 2015)* • IOSCO Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and the	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐ 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 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	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		bodies in ending the mechanistic reliance on credit ratings and encourage steps that 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)	Use of External Credit Ratings *(Dec 2015)*.	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. A consultative paper on this issue is now open for comments. 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	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				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. Securities and Exchange Board of India 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 (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. The investment guidelines provides for investments under specified category as per only in such securities which have minimum AA or equivalent	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				rating in the applicable rating scale from at least two credit rating agencies registered by the Securities and Exchange Board of India under Securities and Exchange Board of India (Credit Rating Agency) Regulations, 1999. SEBI issued relevant guidelines by December 2012, and no further action is envisaged at the moment **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 (15)	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 of a high and internationally acceptable quality (eg equivalent to IFRSs as published by the IASB), 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. As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting. In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☑ **Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☑ 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 : (for part of the reform) in force since: April 01, 2016 ☐ **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:** Under Section 133 of Companies Act, 2013, Ministry of Corporate Affairs (MCA) has put in place 'the companies (Indian Accounting Standards) Rules, 2015, i.e. the Indian Accounting	**Planned actions (if any) and expected commencement date:** 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 wherein Indian Accounting Standards (Ind AS) (equivalent of IFRS) are being implemented. Insurance sector is given a road map to implement Ind AS effective from Financial year 2018-19 with one year comparatives. **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			accounting requirements for expected loan loss provisioning for impaired loans that are being introduced by the IASB and are scheduled to be introduced by the FASB. See, for reference, the following BCBS document: • *Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)*	Standards ('Ind AS') which are converged with IFRS, vide notification dated February 16, 2015. The said notification also prescribed the applicability criteria for all the companies including listed companies. 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. Regulation 19 and schedule VII of the Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 provide for the high quality accounting standards that the required to be maintained and complied with. Also, Pension Funds are advised to comply with the companies (Indian Accounting Standards) Rules 2015, as notified by Ministry of Corporate Affairs as amended from time to time. Also, the pension funds that are subsidiaries of the AMCs have also been advised to follow the IFRS accounting principles, if so required under the SEBI guidelines. **Highlight main developments since last year's survey:**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				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 to migrate to IFRS converged Indian Accounting Standards from April 1, 2016 onwards. The Ministry of Corporate Affairs, Government of India, notified roadmap for implementation of IFRS converged Indian Accounting Standards (Ind AS) for certain class of companies in February 2015 for convergence form financial year 2016-17 onwards mandatorily. In respect of banks and non-banking finance companies (NBFCs), the convergence will be from the Financial Year 2018-19 onwards. At present the banks in our jurisdiction are required to follow Indian GAAP (Accounting Standards) supplemented by Reserve Bank guidelines issued from time to time. The Reserve Bank of India has issued directions to scheduled commercial banks on February 11, 2016	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				advising Scheduled Commercial Bank to comply with the Ind AS for financial statements for accounting periods beginning from April 01, 2018 onwards with comparatives for the periods ending March 31, 2018 or thereafter. The RBI had set up a Working Group on implementation of Ind AS for banks in India to look into implementation issues for banks. The Report of the Working Group is available on our website www.rbi.org.in . The Report, interalia, contains recommendations on implementation of the expected credit loss model by banks. In order to align the requirements of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, ("Listing Regulations") with the Companies Act, 2013, SEBI has made suitable amendments to Regulation 33 of the Listing Regulations and specified vide Circular on 'Formats for publishing financial results' dated November 30, 2015, that the companies adopting the Ind AS in terms of Companies (Indian Accounting Standards) Rules, 2015 notified by the MCA on February 16,	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				2015 while publishing quarterly/annual financial results under Regulation 33 of the Listing Regulations, 2015, shall ensure that the comparatives filed along with such quarterly/annual financial results are also Ind AS compliant. Further, since FY 2016-17 being the first year of implementation of Ind AS, SEBI also has clarified that a company which presents quarterly financial results in accordance with Ind AS 34 Interim Financial Reporting (applicable under Companies (Indian Accounting Standards) Rules, 2015) for the period covered by its first Ind AS financial statement shall comply with the requirements of paragraph 32 of Ind AS 101 – First time Adoption of Indian Accounting Standard. As the Insurance Sector has to move towards Ind AS (equivalent of IFRS) from the financial year 2018-19 with one year comparatives, the exposure draft on Accounting Regulations is kept in abeyance. Insurance sector is currently working on implementation of Ind AS. **Web-links to relevant documents:** https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10274&Mode=0 1)	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Companies (Indian Accounting Standards) Rules, 2015 notified by the MCA on February 16, 2015 http://www.mca.gov.in/Ministry/pdf/Notification_20022015.pdf 2) Refer page 28 to SEBI (LODR) Regulations 2015 http://www.sebi.gov.in/cms/sebi_data/attachdocs/1441284401427.pdf http://pfrda.org.in//MyAuth/Admin/showimg.cshtml?ID=711 http://pfrda.org.in//MyAuth/Admin/showimg.cshtml?ID=841	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII.	**Enhancing risk management**				
16 (17)	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[1] 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 the following documents: • FSB's *thematic peer review report on risk governance (Feb 2013);* • Joint Forum's *Developments in credit risk management across sectors: current practices and recommendations (June 2015);* and • 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 [for legislation and regulation/guidelines only]:* ☐ 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	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

[1] 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
				progress has been made towards implementation of the two Basel III 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:** As per the phase-in implementation plan of LCR, the minimum required LCR has become 70% from January 1, 2016. RBI has further expanded the definition of assets under HQLAs by allowing Corporate Bonds (including CPs) within Level 2B HQLAs, subject to certain conditions. **Web-links to relevant documents:**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				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 https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10309&Mode=0 https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10309&Mode=0	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (18)	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 IFRS 7 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 (Dec 2015)*, 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 [for legislation and regulation/guidelines only]:* ☐ 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:** Basel III implemented from April 1, 2013 **Issue is being addressed through :** ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☑ Other actions (such as supervisory actions), please specify: 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)	**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, 1996, in February 2012. **Short description of the content of the legislation/ regulation/guideline:** Scheduled commercial banks in India are subject to Pillar III dislcousre requirments in line with the standards issued by the Basel Committee on Banking Supervision as part of Basel II, Basel 2.5 and Basel III framework. These dislcosures are an effective means of informing the market about a bank's exposure to risks and provides a consistent and comprehensive disclosure framework that enhances comparability. 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 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) For the pension sector in clause 4.12 of Investment Management Agreement (IMA) and regulations no. 6	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				and schedule V of PFRDA (Pension Fund) Regulations 2015, detailed public disclosure requirements have been laid down **Highlight main developments since last year's survey:** **Web-links to relevant documents:** https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9859 http://www.sebi.gov.in/cms/sebi_data/commondocs/mutualfundupdated06may2014.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1455513505225.pdf SEBI 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**				
18 (19)	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 [for legislation and regulation/guidelines only]:* ☐ 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:**	**Planned actions (if any) and expected commencement date:** DICGC is working on implementing Risk Based premium which may be completed by March 2017. **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					
19 (20)	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 recommendations: • in relation to dark liquidity, as set out in the IOSCO *Report on Principles for Dark Liquidity (May 2011).* • on the impact of technological change in the IOSCO *Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011).* • on market structure made in the IOSCO Report on *Regulatory issues raised by changes in market structure (Dec 2013).*	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐ 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:** 30.03.2012 **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:** 1. Algorithmic Trading: 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	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				October 2011 were taken into account while issuing guidelines for Stock Exchanges and Stock Brokers on 'algorithmic trading' in March 2012. Algo specific broker-level risk controls are (i) Price check – Algo orders shall not be released in breach of the price bands defined by the exchange for the security. (ii) Quantity check – Algo orders shall not be released in breach of the quantity limit as defined by the exchange for the security. (iii) Order Value check - Algo orders shall not be released in breach of the 'value per order' as defined by the stock exchanges. (iv) Cumulative Open Order Value check – The individual client level cumulative open order value check, may be prescribed by the broker for the clients. Cumulative Open Order Value for a client is the total value of its unexecuted orders released from the stock broker system. (v) Automated Execution check – An algo shall account for all executed, unexecuted and unconfirmed orders, placed by it before releasing further order(s). Further, the algo system shall have pre-defined parameters for an automatic stoppage in the event of algo execution leading to a loop or a runaway situation. 2. Colocation: SEBI vide	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				circular dated May 13, 2015 has laid down guidelines to ensure fair and equitable access to the co-location facility and to ensure that the facility of co-location / proximity hosting does not compromise integrity and security of the data and trading systems. 3. Pre trade risk controls: SEBI vide circular dated December 13, 2012 mandated pre trade risk controls such as: i. 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. ii. 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. iii. 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	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				orders with Immediate or Cancel attribute shall be permitted in this mode. c) All new orders shall be checked for sufficiency of margins and such margins are blocked. d) Non-margined orders shall not be accepted from the 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. 4. 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. 5. SEBI vide circular dated February 14, 2013 introduced periodic call auction for illiquid scrips in the equity market. 6. Index based market-wide circuit breaker mechanism Index based market wide circuit breaker system is applied at three stages of the index movement either way at 10%, 15% and 20%. These circuit breakers are intended to bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The stock exchange on a daily basis translate the 10%, 15% and 20% circuit breaker limits of market-wide index	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				variation based on the previous day's closing level of the index. Stock exchanges compute their market-wide index (NIFTY and SENSEX) after every trade in the index constituent stocks and check for breach of market-wide circuit breaker limits after every such computation of the market-wide index. In the event of breach of market-wide circuit breaker limit, stock exchange stops matching of orders in order to bring about a trading halt. All unmatched orders present in the system are thereupon be purged by the stock exchange Post-observation of the trading halt, stock exchange resume trading in the Cash Market with a fifteen minutes pre-open call auction session. 7. Stock-level Price bands For scrips on which derivatives products are not available, individual scrip wise price bands of 20% is applied either way. Tighter price bands are imposed by the stock exchanges on scrips as a surveillance measure. Price band in such cases may be 2%, 5%, 10%. Scrips on which derivatives products are available do not have fixed price bands. Dynamic Price Bands are however applicable on such scrips: o Applicable to following securities: (a) Stocks on which	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				derivatives products are available, (b) Stocks included in indices on which derivatives products are available, (c) Index futures, (d) Stock futures. o Initially set at 10% of the previous day closing price of the security. o In the event of a market trend in either direction, the dynamic price band is relaxed by the stock exchanges in increments of 5%. For the purpose of relaxing the dynamic price bands, the Exchange takes into account that a minimum of 10 trades must be executed with multiple UCC on both sides of the trade at or above 9.90 % of the base price. Similarly, relaxations are done at 14.9%, 19.9%, etc. o The dynamic price bands can also be relaxed during the day in co-ordination with the other Exchange or if the band of the underlying has been relaxed (in case of derivatives). 8. Risk management measures In order to successfully and efficaciously address the market risks Securities & Exchange Board of India (SEBI) had put in place a comprehensive risk management framework for the cash market. The efficacy of this framework entails effective monitoring, surveillance and timely collection of margins by the Stock	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Exchanges. FULL DESCRIPTION HAS BEEN PROVIDED IN WORD FILE **Highlight main developments since last year's survey:** • Trade Annulment framework: Stock exchanges are empowered to annul trade(s) resulting from material mistake or erroneous orders, wilful misrepresentation or manipulation or fraud. • Minimum Contract Size in equity derivatives segment was reviewed and increased to Rs. 5 lakhs. • Cyber Security and Cyber Resilience framework of Stock Exchanges, Clearing Corporation and Depositories: Vide circular dated July 06, 2015 stock exchanges, clearing corporation and depositories (MIIs) were directed to implement the 'Cyber Security and Cyber Resilience framework' which includes 'Identification' of critical IT assets and risks associated with such assets, 'Protection' of assets by deploying suitable controls, tools and measures, 'Detection' of incidents, anomalies and attacks through appropriate monitoring tools / processes, 'Respond' by taking immediate steps after identification of the incident, anomaly or attack, and	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				‘Recover’ from incident through incident management, disaster recovery and business continuity framework. • Capacity planning framework of stock exchanges and clearing corporations: Stock exchanges and clearing corporations were advised to ensure the following requirements while planning capacities of their trading, clearing and settlement and risk management related infrastructure: i. The installed capacity shall be at least 1.5 times (1.5x) of the projected peak load. ii. The projected peak load shall be calculated for the next 60 days based on the per-second peak load trend of the past 180 days. iii. All systems in trading, clearing and settlement ecosystem shall be considered in this process including all technical components such as network, hardware, software, etc., and shall be adequately sized to meet the capacity requirements. iv. In case the actual capacity utilisation exceeds 75% of the installed capacity, immediate action shall be taken to enhance the capacity. **Web-links to relevant documents:** http://www.sebi.gov.in/cms/sebi_data/attachdocs/1437033678905.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				http://www.sebi.gov.in/cms/sebi_data/attachdocs/1436179654531.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1444301614617.pdf http://www.sebi.gov.in/cms/sebi_data/attachdocs/1436782665000.pdf 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 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
20 (21)	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 [for legislation and regulation/guidelines only]:* ☐ 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:** 28.09.2015 **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:** The Forwards Market Commission (erstwhile regulator of Commodities Market in India) merged with SEBI on September 28, 2015, thereby making SEBI the regulator for securities as well as Commodities market. Pursuant to 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
				merger, SEBI has made the below changes. Registration of members I) Entity, who was a member of commodity derivatives exchange as on September 28, 2015 and was satisfying the registration related requirements of that exchange, was required to apply for registration to SEBI, on or before December 28, 2015 to continue to act as such beyond December 28, 2015 (in terms of Section 131 of the Finance Act, 2015). Such existing members of commodity derivatives exchanges are required to meet the eligibility criteria as specified under Rule 8 of Securities Contract (Regulation) Rules, 1957 (SCRR), within a period of one year from the date of transfer and vesting of rights and assets of the Forward Market Commission (FMC) with SEBI i.e., by September 28, 2016. Any other entity desirous of becoming a member of any commodity derivatives exchange(s), on or after September 28, 2015, shall have to meet the eligibility criteria to become a member of an exchange and conditions of registration, as specified in SCRR and SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 respectively, at the time of making the application of registration. Rule 8 of	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				SCRR provides for the constitution types who are eligible to be registered as members, minimum of directors who must satisfy the requirements for experience, etc. II) Inspection of the books of accounts of the Members of the National Exchanges. SEBI conducts inspection of members of Commodity Exchanges through the auditors, which are empanelled by erstwhile Forward Market Commission (FMC), to examine whether the member has complied with the Rules, Regulations, Business Rules, Bye-laws, and directions of FMC/SEBI and Exchanges. Selection of the members are done on the basis of various of criteria like turnover, no. of complaints, no. of active clients, no. of margin defaults, etc. The Exchange submits Action Taken Report to SEBI after examining the audit/inspection report of the member. The exchanges proposes penalty on the basis of violations if any, committed by the member as per Uniform Penalty Circular of FMC dated 5th March 2010 and Rules/Regulation/bye-laws of the Exchange. SEBI conducts scrutiny of the Action Taken Report submitted by the Exchanges. If the Exchange has not proposed appropriate action against the	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Member for violations observed in audit report, clarification is sought from the Exchanges in this regards. The Scrutiny report thereafter is approved by the Competent Authority of SEBI and communicated to the exchanges for final action. **Highlight main developments since last year's survey:** **Web-links to relevant documents:** http://www.sebi.gov.in/cms/sebi_data/attachdocs/1443524693649.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (22)	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 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**				
22 (23)	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. The effective approaches are of interest across all financial services sectors – banking and credit; securities; insurance and pensions – and consideration should be given to their cross-sectoral character when considering implementation. Jurisdictions should, where necessary, indicate any changes or additions that have been introduced as a way to support the implementation of the High-level Principles, to address particular national terminology, situations or determinations.	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** ☐ **Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐ 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: Investor protection has been SEBI's mandate since its inception in 1992. Scores was started in June 2011 **Short description of the content of the legislation/ regulation/guideline:** RBI has released master Circular on Customer Service in July 2015 and	**Planned actions (if any) and expected commencement date:** The Authority is revisiting extant policyholder's protection regulations with a view to ensure that the rights of policy holders are protected. The salient features of the above draft are as under. Mandated Insurers to put in place a Board approved Policy for increasing insurance awareness and redressal of grievances Mandated citizen's charter and prescribed TAT's for all activities Insurers to constitute a policyholders protection committee Corporate governance Guidelines related to policyholders protection to formulate a Grievance Redressal Policy for expeditious resolution of policyholder grievances including the grievances provide product prospectus to the prospect giving full details of the product including its benefits, clauses and exclusions. policyholders be adhered by insurers while selling group products so as to bring more transparency and reduce grievances

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				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. RBI introduced Banking Ombudsman Scheme under the Banking Regulation Act 1949 as an Alternate Dispute Redress Mechanism which is a cost free and envisages minimal formalities for filing complaints by customers regarding deficiency of customer service. It has established 15 offices of Banking Ombudsmen covering all States and Union Territories. Customers can lodge their complaints by post, e-mail or by accessing the RBI website. 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 individual customers 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	pertaining to group insurance sales. Mandated Insurers to place in public domain complete details of product particulars of each and every product that was offered for sale by the insurer including products modified or products withdrawn etc. provisions in existing Regulations pertaining to the matters which are to be stated in life, general or health insurance policies so as to make them more effective to ensure protection of policyholder's interests. procedures in respect of life, general and health insurances have been improvised to ensure rights of policyholders in insurance policies. Redressal procedure and complaint Handling mechanism including how complaints are to be resolved and closed have been prescribed to ensure that the grievances/complaints are addressed in justified matter and closed in transparent manner in accordance with relevant legal provisions. The above draft is now under final consideration of the Authority. **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				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 of banks RBI had directed all Public Sector banks and major Private Sector and Foreign banks to appoint Internal Ombudsman. The concerned banks have appointed Internal Ombudsmen. RBI has issued an updated Master Circular on Customer Service in July 2015 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. As per the SEBI Act, 1992,	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				investor protection is a prime mandate. Under the said Act, chapter IV which lists the powers and functions of the Board includes Investor education and awareness as one of the measure to achieve its mandate. 11 (1) (f) of the SEBI Act, 1992: "promoting investors' education and training of intermediaries of securities markets" There is a dedicated Department catering to the Grievance Redressal and Investor Education and Awareness activities (Office of Investor Assistance and Education). Local offices at various state capitals have been opened to cater to same. Mechanism of Complaints Handling and Redressal In June 2011, SEBI commenced a new web based grievance redressal system called SEBI Complaint Redress System (SCORES). SCORES provides online access 24 x 7. In the new system, all the activities starting from lodging of a complaint till its closure by SEBI is online in an automated environment and the status of every complaint can be viewed online in the above website at any time. If the complainant is not familiar with SCORES or does not have access to SCORES, he	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				can lodge complaints in physical form at any of the offices of SEBI. Such complaints would be scanned and also uploaded in SCORES for processing. An email is generated instantaneously acknowledging the receipt of complaint and allotting a unique complaint registration number to the complainant for future reference and tracking; where mobile number is provided, SMS alerts are also sent. The complaints are forwarded online to the entity concerned for its redressal. Such entities are required to obtain authentication/authorization for logging to SCORES and resolve the complaints. Upon the receipt of Action Taken Report from intermediaries, the status of grievances is updated in SCORES. SEBI peruses the ATR and closes the complaint if it is satisfied that the complaint has been redressed adequately; The concerned investor can view the status of the complaint online from the above website by logging in the unique complaint registration number; If the entity fails to redress the complaints, appropriate enforcement actions as provided under the Securities laws (Directions u/s 11B of SEBI Act, 1992, Adjudication proceedings u/s 15C,	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Prosecution proceedings, etc) are initiated against the companies and/or its directors based on pre-determined criteria. Various activities are undertaken for investor education and financial education Investor education ☐ D investor website ☐ R with the help of exchanges, depositories etc. ☐ Inv through Investor Associations recognised by SEBI ☐ P exhibitions etc. ☐ Investor where investors queries are replied through various modes- physical letters/ emails etc. ☐] various regional languages – on various topics including grievance redress mechanism, toll free number of SEBI, cautioning investors on schemes offering unrealistic returns etc. ☐ Bu Campaign cautioning investors on schemes offering unrealistic returns etc. Financial Education ☐ Financ Education to various target groups (School Children/ Young investors/ Middle Income group/ executives/ home makers/ retirement planning/ self-help groups/ farmers etc) through Resource Persons (RPs). There are more than 1400 RPs covering more than 380 districts	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				across the country. Efforts are undertaken to cover each district (administrative unit) of the country offices of SEBI by students from professional institutes/ colleges etc. Under the Financial Stability and Development Council (FSDC - Chaired by Hon'ble Finance Minister of the country), the Technical Group for Financial Inclusion and Literacy has adopted the National Strategy for Financial Education and is being implemented. All the regulators including SEBI are members of the FSDC and the said group. National Centre for Financial Education formed under the national Institute of Securities Markets (educational arm of SEBI) implements the said strategy under which following activities have been undertaken • National Survey to measure the gaps and implement the strategy • National Financial Literacy and Assessment Test for school students for the third year. Around a million students register for test every year, conducted online across the country. • National Portal (ncfeindia.org) with content from all regulators and is made available in various regional languages. FULL DESCRIPTION IS	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				AVAILABLE IN WORD FILE **Highlight main developments since last year's survey:** The banks have been advised to formulate their own Board approved Customer Rights Policy based on the Charter of Customer Rights (issued by the Reserve Bank) by July 2015 and all the banks have formulated the same. 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. **Web-links to relevant documents:** https://www.rbi.org.in/scripts/BS_ViewMasCirculardetails.aspx?id=9862 https://rbi.org.in/commonman/English/Scripts/AgainstBank.aspxhttp://www.bcsbi.org.in/codes.html https://www.rbi.org.in/scripts/BS_PressR	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				eleaseDisplay.aspx?prid=32667 http://scores.gov.in http://www.ncfeindia.org/	

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 AUM: Asset under Management BCBS: Basel Committee on Banking Supervision BMC: Base Minimum Capital CRA: Credit Rating Agency FC: Financial Conglomerates FCMD: Financial Conglomerate Monitoring Divisions FMC: Forward Market Commission FSAP: Financial Sector Assessment Programme FSB: Financial Stability Board FSDC: Financial Stability and Development Council FSR: Financial Stability Report IFRS: International Financial Reporting Standards IGMS: Integrated Grievance Management System IOSCO: International Organization of Securities Commissions IRB: Internal Rating Based IRDAI: Insurance Regulatory and development Authority of India IRF: Inter-Regulatory Forum LCR: Liquidity Coverage Ratio MMOU: Multilateral Memorandum of Understanding MTM: Market to Market NAV: Net Asset Value NBFC: Non-Banking Financial Corporation NPS: New Pension System NSFR: Net Stable Funding Ratio OTC: Over the Counter PFRDA: Pension Fund Regulatory and Development Fund Authority RBS: Risk-Based Supervision REIT: Real Estate Investment Trust SCORES: SEBI Complaint Redress System SEBI: Securities and Exchange Board of India SPV: Special Purpose Vehicle SRMT: Systemic Risk Monitoring Template UCC: Unique Client Code