

Highlights of CAFRAL- RBI Research Orientation Program: August 11-12, 2018, Madhya Pradesh, India



Dr. Viral Acharya, Deputy Governor, RBI and Dr Amartya Lahiri, Director, CAFRAL with program participants.

S.K. Ritadhi, DBS, Gautham Udupa, CAFRAL, Apoorva Javadekar, CAFRAL, Satadru Das, SRU, Anand Srinivasan, (Additional Director, CAFRAL), Abhishek Ranjan, SRU, Sonalika Sinha, SRU.

CAFRAL and RBI, SRU had an annual retreat at Pench National Park in Madhya Pradesh from August 11 to August 12, 2018. A total of 12 papers were presented in this retreat on variety of topics such as now-casting GDP, demographic impact of monetary policy, dollar swap lines, government bailouts, mutual funds, trade and convergence in economics outcomes across castes in India and transmission of macroprudential policies. The presenters included Professor John Leahy (University of Michigan), Dr. Amartya Lahiri (Director, CAFRAL), Dr. Saurabh Ghosh (Director, SRU), and Dr. Viral Acharya (Deputy Governor, RBI). Other presenters were Abhinav Narayanan-Shekhar Tomar, SRU, Pawan Gopalakrishnan, SRU, D. Suganthi, DEPR, Soumya Bhadury, SRU,

Highlights of Executive Development Program: August 6-7, 2018, Mumbai, India



Dr. Richard Flavell and Chandan Sinha, Additional Director, CAFRAL with speakers and participants at Executive Development Program.

The program focused on issues of current relevance to senior officers of banks and financial institutions. Topics like corporate governance, credit and market risk management, fundamentals of derivatives, financial markets, KYC and AML compliance, resolution of stressed assets and cyber risk management were covered. The program also provided a platform for participants to interact and exchange views with the regulators and peers. Dr. Richard Flavell, an eminent international trainer, was the key speaker for this program. Topics covered were Corporate Governance, Credit risk management, Market risk management, Fundamentals of Derivatives, Financial markets, Asset quality management, Operational risk - Cyber risk management and Current credit crisis and the way forward.

[Click here to view program photo](#)

Highlights of CAFRAL Program on Basel III, IFRS 9 and NPAs: August 27-28, 2018, Mumbai, India



Chandan Sinha, Additional Director, CAFRAL with speakers and participants at CAFRAL Program on Basel III, IFRS 9 and NPAs.

The program focused on practical implementation aspects in three key areas (i) Basel III - raising the level and quality of capital; leverage ratio; increasing the robustness and risk-sensitivity of the Standardised Approach for Credit Risk, Operational risk; constraining the use of internal models such as the IRB Approach for Credit Risk; Leverage Ratio buffers for Global Systemically Important Banks; and the output floor based on the Revised Standardised Approaches. (ii) IFRS 9 Framework, its prudential implications and its linkages with the IRB Approach and (iii) Global best practices in NPA identification and measurement. Raihan Zamil, Senior Adviser, Financial Stability Institute, Bank of International Settlements was the lead speaker for this Program.

Highlights of Roundtable for HR Heads / Chief Learning Officers of select banks and financial institutions – Training needs analysis: Sept 3, 2018, Mumbai, India

The second edition of captioned roundtable was held on September 3, 2017 in Mumbai. Chandan Sinha, Additional Director, CAFRAL welcomed the participants and gave an overview of the mandate and the programs conducted by CAFRAL. He then elicited the views of the HR heads on their expectations from CAFRAL in regard to meeting any training needs or gaps. Participants were generally appreciative of the role played by CAFRAL in meeting the needs of senior management. Shri M P Baliga, Senior Program Director thanked the participants and assured the participants that CAFRAL would study use their feedback in designing future programs even in the course of the current year.

Highlights of Program on Know Your Customer (KYC)-Anti Money Laundering (AML) and Financial Crime (FC) Risk Management: Sept 26-27, 2018, Mumbai, India



Program participants with speakers at program on Know Your Customer (KYC)-Anti Money Laundering (AML) and Financial Crime (FC) Risk Management.

The focus of the program was on the usual of KYC- AML regulations and compliance besides enterprise wide financial crime risk management. Sudarshan Sen, Executive Director, Reserve Bank of India delivered the keynote address. Anand Baiwar, Executive Director, SEBI addressed participants on Capital Market Regulations on KYC, Money Laundering and Financial Crime Risk Management while Additional Director, FIU-IND gave a talk on Widening Scope of KYC, AML and CFT Compliance. Other sessions were on Lessons from Fraud Reporting; Remittances, Wire Transfers and Payments; Money Laundering and Financial Crime: Emerging Regulatory and Compliance Issues; Trade Finance and Financial Crime.

Highlights of Research Seminars

Is Good News Really Bad News? Event Study With Correlated Market And Non-Market Signals In An Asset Pricing Model by Dr. Murugappa (Murgie) Krishnan, Professor, Rutgers University and Radford University at Mumbai, August 13, 2018

Paper Abstract

How informed are Foreign Institutional Investors (FIIs) in Indian financial markets? We build a model of imperfect competition in a financial market, in which market makers have up to two public signals on which to define their pricing rule – firms' earnings announcements and FII trading signals. We define the payoff structure with a sum of correlated components, one known to firms, and the other, to FIIs. We estimate the deep parameters of the model such as the variance governing the FIIs' informational advantage, the level of background noise, and the correlation between the two components of the payoff. So instead of treating multicollinearity as a problem to be resolved using more orthogonal instruments, or a better selection of regressors, we explain it using an underlying model of financial market equilibrium, and identify deep parameters that are unobservable but have economic significance.

Our results indicate the information advantage of FIIs with respect to the component they have information about, exceeds the information advantage that firms have with respect to information released via earnings announcements. We also find that correlation between the two fundamental information components is significantly positive, so that in econometric work we should consider such an environment, even beyond any correlation arising from imperfect measurement. A methodological contribution is to show how the underlying model of equilibrium allows us to learn more from the event study based on earnings announcements.

Upcoming Research Conference

CAFRAL conference on Financial system and Macro economy in Emerging Economies Dec 10-11, 2018| Mumbai

About Conference

The Centre for Advanced Financial Research and Learning (CAFRAL), a leading research organization promoted by the Reserve Bank of India, is holding its second annual conference on the Financial system and Macroeconomy in Emerging Economies. The keynote speakers will be Valerie Ramey (UC San Diego), Narayana Kocherlakota (University of Rochester), Satyajit Chatterjee (FRB Philadelphia) and Venky Venkateswaran (NYU Stern).

Submission: The deadline for submission of papers is over.

Registration for Conference: We warmly welcome researchers, faculty members and doctoral students from India and outside to attend the conference without any charge. However, participants who do not have a paper or discussion in the program will not be provided any financial support. Please follow the Registration link, if you are interested in attending conference. We will confirm your registration by email, subject to seat availability.

Who can register

Senior Researchers, faculty members and doctoral students from India and outside in the area of macroeconomics and finance in emerging economies.

[Register Now](#)

Upcoming Learning Programs

Program Description & Nomination links are available on <http://cafral.org.in/Upcoming-Programs>

Program on Financial Frauds & Forensic Audit October 25-26, 2018| Mumbai

Program Objectives

Incidences of fraud are continuously rising in the financial sector. Monitoring operations for prevention of frauds and their early or timely detection demand unique expertise with multidisciplinary learning even at the senior levels. The program will cover financial frauds (FFs) especially those in large borrowal accounts and investment operations, digital frauds and cyber frauds demonstrate the role and potential contribution of Forensic Audit to legal and financial resolution of fraud cases. Participants will

get opportunities to hear and discuss with top management/ senior functionaries of RBI, CBI, banks, forensic auditors and legal experts.

Participants' Profile

Senior officials in charge of fraud monitoring units, Chiefs of the Vigilance Department, Operational Risk Management Department/ Fraud Risk Management Function/ Financial Crime Risk Management Function and Compliance Officers of banks and NBFCs

[Nominate now](#)

Program for Non-Executive Directors on Audit & Risk Management Committees October 29-30, 2018| Mumbai

Program Objectives

The objective of the program is to explore how the Audit and Risk Management committees can be made more effective so as to implement the "Three Lines of Defence" for an effective risk governance framework. The Program will cover best corporate governance and risk management practices and the role Non- Executive Directors could play in improving risk management, governance and compliance systems in banks.

Participants' Profile

Non-Executive Directors on Audit & Risk Management Committees

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CAFRAL Program for NBFCs: Risk Management, Regulatory and Supervisory Issues November 12-13, 2018| Mumbai

Program Objectives

The financial sector landscape has changed materially over the past few years with non-bank financial companies (NBFCs) gaining share in overall credit disbursed even as banks have faced asset quality challenges. At the same time, this rapid growth has brought on its own stresses and strains in the sector. Though NPA levels in the sector have been lower compared to banks, recent developments have shown that over leveraging, group exposures and blips in expected inflows have spillover effects across the financial sector. It is therefore of prime importance that Management and Boards of NBFCs exercise effective oversight and control to survive in a changing environment.

In this context, this program for NBFCs will focus on governance and culture that would drive internal controls and build a strong compliance culture within the organisation. Regulatory and supervisory expectations from NBFCs, Systemic issues concerning NBFCs, Resource Raising and Managing ALM, Strengthening of Risk Management, Internal Controls and Compliance, implementation of Ind As would also be covered in the Program.

Participants Profile

Senior Management and CXOs of NBFCs (Systemically Important) including Government NBFCs.

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Program for the Chief Vigilance Officers and 'Chiefs of Internal Vigilance' November 19, 2018| Mumbai

Program Objectives

Vigilance is one of the key governance functions in an organization. Preventive vigilance is aimed at reducing the occurrence of a lapse (violation of a law, a norm, or, broadly speaking, a governance requirement). Detective vigilance is aimed at identifying and verifying the occurrence of a lapse. Punitive vigilance is aimed at deterring the occurrence of a lapse. While CVOs are appointed in PSBs, RBI has mandated the appointment of 'Chief of Internal Vigilance' for Private Sector Banks and Foreign Banks. The Program will provide a platform for discussion on how effective frameworks for vigilance can be implemented to ensure better governance and facilitate cross-learning amongst participants.

Participants Profile

The target group for the Program are Chief Vigilance Officers in Public Sector Banks and Financial Institutions and 'Chief of Internal Vigilance' in Private Sector Banks and Foreign Banks

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