

Highlights of Program for Non-Executive Directors on the boards of commercial banks and financial institutions: October 23-24, 2017, Mumbai, India



Participants of the program with S S Mundra, Former Deputy Governor, RBI and Chandan Sinha, Additional Director, CAFRAL

CAFRAL organised the captioned program from October 23 to 24, 2017 with the objective of sensitising the Non-Executive Directors on the boards of banks and financial institutions about risk, governance, compliance, capital, business strategy, etc. Shri S S Mundra, former Deputy Governor, Reserve Bank of India delivered the key note address. The other speakers were from the Reserve Bank of India, CAFRAL, banking industry and experts from various fields. The program coverage included role and responsibilities of directors, risk management, financial markets, fintech and digital banking, risks in Information Technology environment, resolution of stressed assets and Risk Based Supervision. The program was well received by the participants.

[Click here to view program photos](#)

Highlights of CAFRAL-ICAI Workshop on Implementation of Indian Accounting Standards (Ind AS) October 25, 2017, Mumbai, India



Dr. Amartya Lahiri, Director, CAFRAL and Dr. Ajit Ranade, Chief Economist, Aditya Birla Group & GC Member, CAFRAL with program participants at CAFRAL-ICAI Workshop on Implementation of Indian Accounting Standards (Ind AS), Mumbai, India

CAFRAL-ICAI Workshop on Implementation of Indian Accounting Standards (Ind AS) was organised on October 25, 2017 Mumbai with Institute of Chartered Accountants of India (ICAI) as the knowledge partner.

Implementing International Financial Reporting Standards (IFRS) compliant India Accounting Standards (Ind AS) by April 2018 is a substantive change that has to be managed seamlessly by the Indian banking system. Starting from the differences between existing AS and Ind AS, the coverage included overview of Ind AS 109, Ind AS 36 for NBFCs, expected credit loss model, case studies on the impact of Ind AS on banks' balance sheet with key ratios analysis, etc.

The program had opening remarks by Dr Amartya Lahiri, Director, CAFRAL, Dr Ajit Ranade, Chief Economist, Aditya Birla Group and CA Prafulla P. Chhajed, Chairman, BFSIC, ICAI while the speakers were eminent chartered accountants and experienced bankers.

[Click here to view program photos](#)

Highlights of Research Seminars

(Why) Do Central Banks Care About Their Profits? By Prof. Vasso Ioannidou from Lancaster University, UK, at Mumbai, October 05, 2017

Paper Abstract

This paper documents that central banks are significantly more likely to report slightly positive profits than slightly negative profits. The discontinuity in the profit distribution is (i) more pronounced amid greater political or public pressure, the public's receptiveness to more extreme political views, and agency frictions arising from governor career concerns, but absent when no such factors are present, and (ii) correlated with more lenient monetary policy inputs and greater inflation. These findings indicate that profitability concerns, while absent from standard theoretical models of central banking, are both present and effective in practice, and inform a theoretical debate about monetary stability and the effectiveness and riskiness of non-traditional central banking.

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Sovereign Debt: Election Concerns And The Democratic Disadvantage By Amrita Dhillon from Department of Political Economy, Kings College, University of London, UK and CAGE, University of Warwick, UK, at Mumbai, October 09, 2017

Paper Abstract

This paper re-examines the concept of 'democratic advantage' in sovereign debt ratings when optimal repayment policies are time-inconsistent. If democratically elected politicians are unable to make credible commitments then default rates are inefficiently high, so democracy potentially confers a credit market disadvantage. Institutions that are shielded from political pressure may meliorate the disadvantage by adopting a more farsighted perspective. Using a numerical measure of institutional farsightedness obtained from the Global Insight Business Risk and Conditions database, the paper finds that the observed relationship between credit-ratings and democratic status is indeed strongly conditional on farsightedness. With myopic institutions, democracy is estimated to cost on average about 3 investment grades. With farsighted institutions there is, if anything, a democratic advantage.

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Upcoming Research Conference

CAFRAL conference on Financial system and Macro economy in Emerging Economies Dec 07-08, 2017 | Mumbai

About Conference

CAFRAL has an upcoming research conference on topic of the financial system and macro economy in emerging economies. Several internationally renowned speakers have agreed to speak in this conference - Dr. Viral Acharya (Deputy Governor, RBI), Professor Franklin Allen (Director, Brewan Howan Center at Imperial College, London), Professor Chetan Ghate (Professor, Indian Statistical Institute), Professor Martin Uribe (Professor, Columbia University) and Professor John Leahy, Allen Sinai Professor of Macroeconomics, and Professor at the Ford School of Public Policy at the University of Michigan. The papers to be presented cover a diverse range of topics such as a monetary business cycle for India, asset bubbles, spillovers from emerging markets, corporate debt and corporate investment and creditor rights. We welcome interested participants to attend the conference.

Participants Profile

Senior Researchers in the area of on macroeconomics and finance in emerging economies.

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Upcoming Learning Events

Executive Development Program Dec 11-12, 2017 | Mumbai

Program Objectives

Sensitise the top executives of commercial banks, financial institutions and Reserve Bank of India on multiple issues viz. global and domestic economic outlook, financial markets, current issues and challenges faced by lenders & the way forward, corporate governance, risk management, resolution and recovery of stressed assets, business strategy, fintech and digital banking, etc. For more details please see CAFRAL website.

Participants' Profile

- Executive Directors/Deputy Managing Directors/Managing Directors & CEOs of banks and financial institutions.
- Regional Directors & Executive Directors of Reserve Bank of India.

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Conference on Implementation and Compliance of Know Your Customer (KYC)-Anti Money Laundering (AML) Standards Regime and Financial Crime Management Dec 19-20, 2017 | Mumbai

Program Objectives

- Sensitise the participants on the AML/CFT guidelines & requirements, role of FIU IND, compliance & submission of CTR/STR by the banks
- Appreciate the legal repercussions of delayed/non-submission of CTR/STR
- Gain practical insights on the current challenges in implementation of KYC-AML
- Operationalise an effective risk management framework
- Reflect on the critical AML issues like KYC risk rating, customer segmentation, etc. using case studies on STRs filed with FIU

Participants' Profile

Heads and Senior officials working in the areas of KYC-AML implementation, financial crime management, operational risk, mobile and channel frauds, internal audits and vigilance in commercial banks.

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“Leading in the Digital Age” - A Joint CAFRAL and Macquarie University Program

Indian leg – January 25, 2018 | Mumbai, India Overseas leg – January 28 to February 3, 2018 | Sydney, Australia

Program Objectives

The program, designed for top executives of the Indian financial institutions, focuses on managing strategic initiatives in the context of digital transformation and the need to enhance risk governance and risk culture. The key areas to be covered are:

- Digital Strategy in a rapidly changing world of Fintech, Artificial Intelligence, Block chain and Big Data Analytics;
- Risk Strategy, governance and culture
- Financial technology and cyber security issues, risk strategy and resolution of problem assets-supplemented through field visits/exposure to (i) Optus Macquarie University Cyber Security Hub (ii) Innovation Lab of Commonwealth Bank of Australia's (iii) Presentations by PwC's on Cyber Security Strategies (iv) Presentations by Deloitte on (a) Digital strategies and (b) Risk strategy, governance and culture (v) practical approaches for valuation of non-performing loans by Herbert Smith Freehills.

Participants' Profile

General Managers and above from commercial banks, financial institutions, regulatory agencies.

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