



# BBI CHROME

M. L. DAHANUKAR COLLEGE OF COMMERCE

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# Banking Sector

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## Reserve Bank Bans Mastercard

The RBI , in 2018, directed all system providers to ensure that within a period of six months, the entire data relating to payment systems operated by them be stored in a system only in India.

They were also required to report compliance to the RBI and submit a board-approved system audit report conducted by a CERT-In empanelled auditor within the timelines specified therein.

In a major blow to payment services major Mastercard Asia/Pacific Pte Ltd, the Reserve Bank of India on Wednesday imposed restrictions on on-boarding of new domestic customers in the country on its card network. The RBI said that the restrictions have been imposed as in spite of lapse of considerable time and adequate opportunities being given, the entity has been found to be non-compliant with the directions on storage of Payment System Data.

Mastercard has responded to the situation saying, While we are disappointed with the stance taken by the RBI in their communication dated July 14, we will continue to work with them to provide any additional details required to resolve their concerns

## **792 CRORE RAISED BY SELLING VIJAY MALLYA'S SHARES BY SBI**

A consortium is an association of two or more individuals, companies, organizations or governments with the objective of participating in a common activity or pooling their resources for achieving a common goal.

A consortium of banks led by the State Bank of India on Friday realized Rs. 792.11 crore by sale of shares in the bank loan fraud case involving Kingfisher Airlines and its former owner and fugitive economic offender Vijay Mallya. These shares were handed over by the Enforcement Directorate (ED) to the consortium of banks. Earlier SBI led consortium had realized Rs. 7181.50 crore by liquidating assets handed over to SBI led consortium by ED.

## **NOW PENSION SLIP MAYBE ISSUED FROM BANKS THROUGH WHATSAPP**

The Centre has told banks they can use social media apps such as WhatsApp alongside SMS and email to send pension slips to pensioners after their account is credited, according to an official order. It said the decision was taken in order to ensure ease of living of the pensioners.

"Banks may also use social media apps WhatsApp etc in addition to sms and email," said the order issued by the Department of Pension and Pensioners' Welfare.

A meeting was held with the Central Pension Processing Centres (CPPCs) of pension-disbursing banks last month wherein the issue of providing the breakup of the monthly pension to the pensioners was discussed

# RBI PENALISED PUNJAB AND SIND BANK

The Reserve Bank of India on Friday imposed a penalty of Rs 25 lakh on Punjab and Sind Bank for non-compliance with certain provisions of directions on 'Cyber Security Framework in Banks'.

The state-owned bank had reported a few cyber incidents to the RBI on May 16 and 20, 2020, the central bank said while giving details. "Examination of the incident reports and the report of the forensic analysis of the said incidents revealed, non-compliance with aforesaid directions.

The RBI issued a show-cause notice to the bank.

"After considering the bank's reply to the show-cause notice, oral submissions made during the personal hearing and examination of further clarifications/ documents furnished by the bank, RBI came to the conclusion that to the extent the charges of non-compliance with RBI directions were substantiated, it warranted imposition of monetary penalty," the central bank said.

## LIMIT OF LOANS LEND TO BANKS INCREASED : RBI

The Reserve Bank of India has raised the limit on loans to be sanctioned to directors or associates without board approval for the first time in 26 years to Rs. 5 crore from Rs. 25 lakhs last set in 1996. This revision in threshold will be applicable to only personal loans disbursed to any director of other banks, all loans to relatives of bank's own directors, relatives of directors of other banks, and the companies or firms associated with them. This will apply to all scheduled commercial banks, except regional rural banks (RRBs), small finance banks and all local area banks, according to the RBI circular released on Friday. Personal loans are loans given to individuals and consist of consumer credit, education loans, loans given for the creation or enhancement of immovable assets and those given for investment in financial assets. It will also apply to relatives other than spouse and minor or dependent children of chairpersons, managing directors or other directors of other banks

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# Insurance Sector

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## INDIA INVITES UK COMPANIES TO INVEST IN INSURANCE SECTOR

India has invited UK companies to invest in the insurance sector, while Britain offered its London market for direct listing of Indian firms. This year, India has increased the foreign direct investment ceiling from 49 per cent to 74 per cent. Earlier, the government allowed firms to list overseas without simultaneous listing at the domestic market.

To deepen bilateral ties in the financial sector, the first meeting of India-UK Financial Markets Dialogue was held on Thursday late evening, a finance ministry statement said

The government-to-government discussion focused on four themes -- GIFT (Gujarat International Finance Tec-City) City, India's flagship international financial centre, banking and payments, insurance, and capital markets, it added.

## GOVT EXTENDS RETIREMENT AGE OF LIC CHAIRMAN TO 62 YEARS

The changes made in the rules will be called the Life Insurance Corporation of India (Staff) Amendment Rules, 2021, according to a government notification dated June 30, 2021.

The government has extended the superannuation age of IPO-bound LIC Chairman to up to 62 years by making amendment to the Life Insurance Corporation of India (Staff) Regulations, 1960. Last month, the government approved a nine-month extension to LIC Chairman M R Kumar till March next year in view of the insurer's proposed initial public offer towards the end of the current fiscal.

## SPECIALTY INSURANCE BUSINESS

Specialty insurance is insurance that can be obtained for items or events that are considered unique or special circumstances. The items that would fall in these categories are rarely covered by standard insurance policies. Cases of specialty insurance include insurance for unique items, such as for actors who insure their body parts (the ones that are considered their best assets and moneymakers), and insurance for a particular project or event that you are spearheading.

## DUE TO INCREASE IN CYBER CRIMES INSURERS THINK FOR NEW PLANS



With cyberattacks on the rise and demand for coverage surging, the \$3 billion industry of protecting companies against hackers is at an inflection point. Wrestling with higher costs and more risk, insurers are tightening standards, boosting prices and slashing how much they're willing to pay for a breach.

Making coverage harder to get may expose more companies to greater financial risk.

Cyber policies are relative newcomers to the centuries-old insurance industry. The sector has exploded in the past decade – with premiums more than doubling since 2015 and totaling \$3.15 billion last year. Insurers are also changing underwriting standards as they seek to reduce risk, according to Tom Reagan, who leads Marsh's U.S. cyber practice. That often includes requiring companies to beef up their own protections.

# INSURANCE BROKER RENEWBUY FINED RS 1 CRORE BY IRDAI

The Insurance Regulatory and Development Authority of India (IRDAI) has imposed a penalty of Rs 1 crore on D2C Insurance Broking Pvt Ltd for appointing agents and canvassers to bring in the insurance business. The insurance broker was also found guilty of having a website (renewbuy.com) with a different name and was warned for the same. The broker was accused of using the brand name "renewbuy" for soliciting insurance online without "visibly and clearly displaying the Broker's name on the website."

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