

NiSM UPDATE

Sep 2016 to Dec 2016

Volume 7 / Issue 33

INAUGURATION OF NISM CAMPUS AT PATALGANGA — 2016 —





FOREWORD

I am happy to inform that NISM's new campus was inaugurated by Hon'ble Prime Minister Shri Narendra Modi. The campus has become operational now and is expected to provide a major boost to the activities of NISM.

The guests of honour were the Governor of Maharashtra, Shri C Vidyasagar Rao, Chief Minister Shri Devendra Fadnavis, Finance Minister Shri Arun Jaitley and Minister of State for Finance, Shri Arjun Ram Meghwal. Shri UK Sinha, Chairman-SEBI delivered the Welcome Address and provided a perspective on the happenings at NISM and the way forward. Among other things, the Chief Minister of Maharashtra was kind enough to announce that goal of Maharashtra would be open to considering NISM's proposal for becoming a private university.

During the period under review, NISM organized 12 training programmes for professionals from

different organizations. These include four programmes for financial market regulators (domestic and international), four Management Development Programmes for market participants, two specialized programmes for officers of the Indian Administrative Service, Indian Revenue Service and senior officers of Defence services, one Masterclass on Behavioural finance and Decision making for market participants and one programme for officers of Bangladesh Securities and Exchange Commission (BSEC).

I hope this provides a brief glimpse into the happenings at NISM.

S Ghose

Sandip Ghose
Director, NISM.

CONTENT

Page No.

ACTIVITIES AT NISM

■ Inauguration of NISM Campus at Patalganga	1 - 1
■ Training programmes	2 - 7
■ Academic Activities	8 - 10
■ NISM Certification	11-13
■ National Centre for Financial Education (NCFE)	14-15
■ Article	16-20
■ Regulatory Changes	21-23

EDITORIAL COMMITTEE

Shri. Paritosh Sharma

Dr. Shri Sunder Ram Korivi

Shri. K. Sukumaran

Shri. Nitin Tike





Inauguration of NISM Campus at Patalganga

We had the grand inauguration of the new campus at Patalganga at the hands of the Prime Minister Shri Narendra Modi. Guests of Honour were the Governor of Maharashtra, Shri C Vidyasagar Rao, Chief Minister Shri Devendra Fadnavis, Finance Minister Shri Arun Jaitley and Minister of State for Finance, Shri Arjun Ram Meghwal. Shri UK Sinha, Chairman-SEBI delivered the Welcome Address and provided a perspective on the past, present and future of NISM. Among other things, the Chief Minister of Maharashtra agreed to look into NISM's status for getting recognition as a private university.

TRAINING PROGRAMMES

During the period September 2016 to December 2016, the School for Regulatory Studies and Supervision had organised 12 Training Programmes and Workshops. These include:

- Four programmes for Financial Market Regulators (domestic and international)
- One programme for international market participants,
- One Masterclass on Behavioural Finance and Decision making for market participants
- Two specialized programme for IAS, IRS and Senior Officers of Defence services, and
- Four Management Development Programme (MDPs) for market participants.

Programme for Regulators (Domestic):

Training Programme on 'Macroeconomics for Regulators' for SEBI Officers

The knowledge of Macroeconomics cannot be overemphasized. Because of Financial Globalization, Indian Securities Markets are interconnected with other financial markets nationally and globally. There is inter-connection among key elements of macroeconomics with financial markets. Accordingly, good understanding of Macroeconomics is required by every officer of SEBI.

Keeping above in mind, NISM conducted a 2-day programme on 'Macroeconomics' for SEBI officers in Grade A to C.

The broad topics/areas covered in the programme were Evolution of Macroeconomics, Fiscal Policy & Union Budget, Monetary Policy & RBI, Issues related to demonetization, Liquidity Management in Financial Market, Macroeconomic Indicators and Indian Capital Market, Understanding 'Union and State Finance', General Overview of Indian Economy & recent issues, etc.

The speakers of the programme comprised of RBI Officer, Economists, Academician and NISM Faculty.



Training Programme on 'Macroeconomics for Regulators' for SEBI Officers

Training Programme on 'Inspection, Investigation and Enforcement' for PFRDA Officers

NISM had organised a programme on 'Inspection, Investigation and Enforcement' for senior PFRDA Officials during December 01-03, 2016 at NISM Bhavan, Vashi, Navi Mumbai.

The topics / areas covered in the programme were:

- Effective Supervision of Intermediaries
- Investigation
- Process and Provision related to Enquiry & Adjudication
- Enforcement



Training Programme on 'Inspection, Investigation and Enforcement' for PFRDA Officers

Workshop on 'An Overview of Securities Markets' for RBI Officers

A workshop on 'An Overview of Securities Markets' was held during December 12-16, 2016, for officers of RBI in Grade B.

The prime objective of workshop was to give an overview of Securities market and allied areas including concepts, processes and regulations of Securities Market.

The Methodology adopted in the workshop included Interactive Presentations, Quiz, Case Studies, field visit and Hands on Experience of Trading on Stock Exchange – Live through Simulation Lab at NISM.

The officers also visited BSE, CDSL & MCX.



Workshop on 'An Overview of Securities Markets' for RBI Officers

Programme for Regulators and Markets Participants (International):

Programme on 'An Overview of Indian Securities Market' for Officers of Bangladesh Securities and Exchange Commission (BSEC)

NISM had organized a Four Weeks Residential Programme on 'An Overview of Indian Securities Markets' for officers of Bangladesh Securities and Exchange Commission (BSEC) during October 31, 2016 to November 25, 2016 at NISM Bhavan, Navi Mumbai.

The prime objective of the workshop was to expose participants to the functioning of Indian Stock Markets. The workshop also aimed at updating the participants with the recent happenings in the Indian Securities market by discussing topics like economic reforms, regulatory issues and challenges, new investment vehicles in market, etc.

Participants had visited Securities & Exchange Board of India, National Stock Exchange, Bombay Stock Exchange and Central Depository Services Limited to understand the functioning of Stock Exchanges and Depositories. They had hands on Experience of Trading on Stock Exchange – Live through Simulation Lab at NISM. They also attended CII's Financial Markets Summit held on November 10, 2016 at Hotel Trident, Nariman Point, Mumbai.

The faculty for the programme were drawn from NISM full-time faculty, senior officials of SEBI & RBI, practitioners, academicians and experts from financial market.



Programme on 'An Overview of Indian Securities Markets' for Officers of Bangladesh Securities and Exchange Commission (BSEC)

Workshop on 'Fundamental & Technical Analysis' for Market Participants at Nepal

NISM had organised a Workshop on 'Fundamental and Technical Analysis' for market participants during December 26-27, 2016 at Kathmandu, Nepal.

The prime objective of the workshop was to provide an overview of Fundamental and Technical Analysis, tools and strategies.

The workshop has inaugurated by Shri Rewat Bahadur Karki, Chairman, Securities Board of Nepal. Valedictory address was given by Shri Pravin Raman Parajuli, Head of Merchant Bankers' Association of Nepal.



Workshop on 'Fundamental & Technical Analysis' for Market Participants at Nepal

Masterclass Series

Masterclass on 'Behavioural Finance and Decision Making'

NISM had organised a Masterclass on Behavioural Finance & Decision Making during November 10-11, 2016 at Navi Mumbai.

The Master Trainer of the programme was Dr. Arman Eshraghi, a Senior Lecturer in Finance and Accounting and Director of MSc Finance and Investment at the University of Edinburgh and a fellow of the Higher Education Academy. He is BEng and MBA from Sharif University and PhD in Finance from the University of Edinburgh.

The key focus of the programme was to enable participants to understand how behavioural finance helps in financial decision making. Apart from above, the emphases of the programme was also on the following areas –

- Recent advances in the area of behavioural finance
- Neuro-Finance and Emotional Finance
- Psychometric tests & analysis of the results



Masterclass on 'Behavioural Finance and Decision Making'

Specialized programmes

Workshop on 'Investigating Economic Crimes in Securities Markets' for IAS & IRS Officers

NISM had organised a Workshop on 'Investigating Economic Crimes in Securities Markets' for the Officers of IAS & IRS Officers (upto the Rank of Commissioner) during October 03-07, 2016 at Navi Mumbai.

The prime objective of workshop was to make participants aware of how investigation takes place in securities markets, exposure on personal finance and hands on experience of Trading on Stock Exchange.

The Methodology adopted in the workshop included Interactive Presentations, Case Studies, field visit and Hands on Experience of Trading on Stock Exchange – Live through Simulation Lab at NISM.

Participants had also visited BSE and CDSL to understand the functioning of Stock Exchanges and Depositories.



Workshop on 'Investigating Economic Crimes in Securities Markets' for IAS & IRS Officers

Programme on 'Introduction to Securities Markets & Financial Planning' for Senior Officers of Defence Services

Programme on 'Introduction to Securities Markets and Financial Planning' for the senior officers of Defence Services was held on December 15, 2016 at NISM Bhavan, Navi Mumbai. The group had officers from three Defence service of the rank including Brigadier, Colonel, Group Captain, Captain and Sergeant Captain.

The prime objective of the programme was to make participants understand the basic concepts, processes and regulations of Securities Markets & importance of financial planning



Programme on 'Introduction to Securities Markets and Financial Planning'

Management Development Programmes (MDPs)

Programme on Derivatives – Equity & Commodities

NISM had conducted a 2-day Programme on Derivatives – Equity & Commodities during September 07-08, 2016 at NISM Bhavan, Vashi, Navi Mumbai.

The key objective of the programme was to provide a better and deeper understanding of the various aspects of equity and commodities derivatives in India. The programme also aimed to discuss and understand valuation of derivatives.

The Master Trainer of the programme was Dr. Sankarshan Basu, a faculty at the Indian Institute of Management, Bangalore in the Finance and Control area. Prof. Sankarshan has received his B.Sc. degree from Presidency College, Calcutta, M.Sc. degree from Indian Institute of Technology, Kanpur, and has obtained his Ph. D. in Statistics from the London School of Economics and Political Science.

The topics/area covered in the programme were - Introduction to Derivatives, Basic Option Trading Strategies, Put-Call Parity, Option Valuation, Introduction to Swaps and usage of swaps, Swap Valuation, Exotic Options Contracts, Commodity Derivatives – Issues and Valuation, etc.



Programme on 'Derivatives – Equity & Commodities'

Training Programme on Fixed Income Securities

The Training Programme on 'Fixed Income Securities – Analysis & Pricing' was held during September 26-27, 2016 at NISM Bhavan, Vashi, Navi Mumbai for regulatory bodies and market participants.

The prime objective of programme was to provide participants a better and deeper understanding on the various aspects of the Fixed Income Securities Market and also the practical insights on the functioning and analysis of the Fixed Income Securities in India.

The topics discussed include Introduction to Fixed Income Securities, Issue Process, Spot & Forward Rates and Fixed Income Derivatives, Analysis of Fixed Income Securities, Trading Strategies, SLR Maintenance, Compliance and Fixed Income Derivatives, Investment in Fixed Income Securities – Risk & Reward, Pricing and Valuation of Fixed Income Securities, Securitization Industry in India, Global Macro Economy & its Impact on Indian Financial Market, etc.

The Speakers for the programme were the persons of eminence including Senior Professionals having experience of handling key positions in the debt market in India.



Training Programme on 'Fixed Income Securities'



Training Programme on 'Operation of Mutual Funds in India'

Training Programme on 'Operation of Mutual Funds in India'

The Training Programme on 'Operation of Mutual Funds in India' was held during September 29-30, 2016 at NISM Bhavan, Vashi, Navi Mumbai for regulatory bodies and market participants.

The broad objective of the programme was to ensure that the participants get adequate knowledge and exposure in understanding the nuances of the Mutual Funds Industry in India.

The topics discussed include Introduction to Mutual Funds Industry in India, Investment Objectives and Strategy, Pricing and Valuation of Assets of Mutual Fund Schemes, Credit Evaluation and Risk Management Mechanism at Mutual Funds, Regulatory Perspectives, Distribution Network - Strengths and Pitfalls, Investment Restrictions & investment Process Flow and Global Macro Economy & its Impact on Indian Financial Market.

The Speakers for the programme were the persons of eminence including Senior Professionals having experience of handling key positions in mutual funds industry in India.

Training Programme on 'Bond Mathematics'

The Training Programme on 'Bond Mathematics' was held during October 20-21, 2016 at NISM Bhavan, Vashi, Navi Mumbai.

The topics/areas covered in the programme were Introduction to Fixed Income Securities – terms, bond indenture, types, time value of money, etc., Duration, Convexity, Yield Curve Analysis, Bootstrapping Spot and Forward Rates, Pricing and valuation of Fixed Income Securities, Yield Measures, Money Market Industry in India, Analysis of Fixed Income Securities, and Trading Strategies, SLR Maintenance, Compliance and Fixed Income Derivatives.

Hands-on practice on excel was done in each area of bond mathematics.



Training Programme on 'Bond Mathematics'

WORKSHOP ON 'ROLE OF COMPLIANCE OFFICERS OF LISTED COMPANIES'



Workshop on 'Role of Compliance Officers of Listed Companies for compliance officers'

The Workshop on 'Role of Compliance Officers of Listed Companies' was held during October 21-22, 2016 in association with National Foundation for Corporate Governance (NFCG) and Institute of Company Secretaries of India (ICSI) at NISM Bhavan, Navi Mumbai for the benefit of compliance officers of the listed companies and professionals.

The main objective of the program was to understand and appreciate the ongoing updates in Corporate Laws and Securities Laws which are applicable for listed companies in letter and spirit and discuss the challenges faced by the compliance officers.

The topics/areas discussed in the program included-

- Role of Compliance officers in securities market
- Companies Act 2013 and Company Amendments Bill 2016
- New Issuance of securities and listing compliance
- Takeover and acquisition of shares
- Key takeaways of SEBI (Prohibition of Insider Trading Regulations) along with case studies
- Experience sharing by stock exchange's compliance department and industry perspective on the securities laws

The speakers included Ms. Savithri Parekh, Chief Legal & Secretarial, Pidilite Industries Ltd, Ms. Neelam Bharadwaj, Ex-SEBI General Manager and Independent Consultant, Mr. Narayan Shankar, Company Secretary, Mahindra and Mahindra and Mr. Avinash Kharkar, Asst. Vice President, Listing Compliance, NSE and the participants included compliance officers of listed companies and practitioners.

ACADEMIC ACTIVITIES

We saw the grand inauguration of the new campus at Patalganga at the hands of the Prime Minister Shri Narendra Modi. Guests of Honour were the Governor of Maharashtra, Shri. C Vidyasagar Rao, Chief Minister Shri Devendra Fadnavis, Finance Minister Shri Arun Jaitley and Minister of State for Finance, Shri Arjun Ram Meghwal. Shri UK Sinha, Chairman-SEBI delivered the Welcome Address and provided a perspective on the past, present and future of NISM. Among other things, the CM of Maharashtra agreed to consider NISM's application for becoming a private university.

NISM has designed a 3-year Undergraduate Programme (Bachelor's degree in Banking, Finance and Business Analytics) which has been circulated to experts in academia.

Term I of PGPSM and PGCSM were concluded in September, and a Batch IV of CSL was launched. Term II commenced in right earnest on October 3, as per the Academic Calendar. We entered into strategic collaborations with Phillip Capital for Risk Management & Derivatives and with Morningstar India for Mutual Funds. We also had Technical Analysis inputs from Mr Gurudatta Dhanokar and a session on Stock Picking by Lancelot D'Cunha of Crest, a television celebrity. Students from PGCCM (Kotak Securities) also benefited immensely from the value-added inputs, including news-based trading. Term II of PGPSM and PGCSM concluded in December, as per the Academic Calendar.

There was extensive networking with educational institutions during this period:

- Symbiosis School of Banking and Finance-Pune
- Bharatiya Vidyapeeth Institute of Management & Research- Navi Mumbai
- Podar College-Matunga, Mumbai
- Director-Symbiosis Centre of Management Studies-Pune
- Nagindas Khandwala College-Malad, Mumbai
- HR College-Churchgate, Mumbai

- KC College-Churchgate, Mumbai
- Hinduja College-Charni Road, Mumbai
- Mithibai College-Vile Parle, Mumbai
- PSG Institute-Coimbatore
- Institute of Public Enterprises-Hyderabad
- National Petroleum University-Dehra Dun

A Faculty Development Programme was held on September 8-9 in the SMART Lab. Among others, we had a staff member from CAG-Mumbai. Another customized FDP was held on behalf of N Khandwala College-Mumbai. A Smart Lab session was conducted for the officers from RBI. On September 6, an internal meeting was conducted on the Future of Technology in Lab and Library. Ideas flowing from this brainstorming exercise are being incorporated into our strategic action plan. We are adding Morningstar Advisory Workstation and Morningstar Direct to our suite of technological pedagogy, in addition the SMART Lab, Bloomberg and CMIE. Business Line Campus Online is also being used extensively for classroom discussions.

Our students gained from attending the CII Financial Distribution Summit.

Plans for the early launch of PGPSM Admissions 2017 were initiated in October, and our registration portal went live on November 18, 2016. Through interactions with faculty in other UG institutions, a wider outreach has been attempted this time.

Preparatory to placement, the brochure was finalized, mock GD sessions were conducted and sessions on Business Communication were concluded, incorporating a Resume Workshop and Facing the Interview Panel. Lectures by alumni are also incorporated in to the PGPSM schedules. Among the recruiters who showed an early interest in were: STCI (who made an offer to 1 student), ICICI Prudential MF, Religare, IDBI, Indiabulls Securities, Federal Bank, IFA Global, HIS Markit, to name a few. Some of the recruiters have shown an interest in recruiting in bulk.

We successfully held the Conference on Municipal Bonds on September 8, with Shri UK Sinha delivering the inaugural address. Top officers from the Ministry of Urban Development and CFOs of many municipal bodies attended the event, including key market participants and intermediaries. We had a galaxy of speakers from India and overseas, including leading practitioners, institutions and academia. The background paper for the event was prepared by NISM.

NISM was a Knowledge Partner in the 6th Morningstar Investment Conference held at the Grand Hyatt, Santa Cruz, on October 18-19. Over 600 persons from the mutual fund fraternity attended the event. Mr. G Mahalingam of RBI (now WTM-SEBI), was a keynote speaker at the event.

NISM was a Knowledge Partner with the CFA Institute in the Wealth Management Round Table at the Sofitel Hotel on November 18. Over 70 professionals from India and overseas attended the event.

Prof Korivi was a panelist and speaker at the Valedictory session at the National Conference on Legal Scholarship at Symbiosis Law School on September 9. He had valuable interactions with Mr Vijendar Kumar, Vice Chancellor-National Law University-Nagpur, on the occasion.

Pradiptarathi Panda attended the Applied Econometrics Workshop at Hyderabad Central University. Prof. Korivi attended the FIX Conference on Trading at ITC Grand. Panda attended the Indian Commerce Association Conference at Lucknow. Prof. Latha Chari attended the National Conference on Accounting at Khandwala College, Malad-Mumbai. Meraj Inamdar attended the Indian Accounting Association Conference at Bangalore.

NISM is working closely with the CFA Institute on various initiatives. 3 of our students are working for a SEBI Project on

Mutual Funds, through the CFA Institute. Prof. Korivi is an academic mentor for the project. We also touched base with Institutional Investment Advisory Services (IIAS) to explore collaborative efforts.

Prof. Korivi touched base with Mr. Sean Kidney and his team in October, of the Climate Bonds Initiative (UK) for collaborative research on Green Bonds, including Securitization and Municipal Bonds.

Saraswati Puja was conducted in October in the Library. A demonstration workshop on EBSCO was held for the faculty.

Other Institutional Development Activities

We conducted a training programme for CAG on Foreign Exchange. We also conducted SMART Lab sessions for the officers of RBI and SEC-Bangladesh. We are also in touch with Eurofinance for a possible training programme on Financial Markets.

NISM will be holding the GIPS Workshop and the Examination Development Workshop with CFA in March 2017.

Prof. Korivi has been in touch with the Indian Institute of Corporate Affairs as a resource person. He was also in touch with Sa-Dhan for conducting a training programme at Bhubaneswar for the organizations funded by SIDBI and NABARD, organized by the Institute of Directors (IOD).

In the area of Commodities, we are in touch with Ms Saroja of MCS for potential training in Commodity Options. We are also in touch with Mr. David Gibbs of the Chicago Mercantile Exchange (CME) to explore potential areas of cooperation.

FEATURED ACADEMIC PROGRAMME

POST-GRADUATE PROGRAMME IN SECURITIES MARKETS (PGPSM)

Estimates indicate that more than 35 lakh individuals are engaged in various segments of the securities markets and the demand for skilled and competent professionals is constantly growing every year. The Post Graduate Programme in Securities Markets (PGPSM) prepares next generation market professionals with holistic understanding and essential skill-sets to meet the requirements of the dynamic securities markets industry. The programme acts as a gateway to rewarding careers in the securities markets industry.

PGPSM is a unique opportunity for career aspirants in the securities markets to obtain in-depth understanding, both theoretical and practical, from an institute established by the Securities and Exchange Board of India. On successful completion of the programme, the participants would have developed capability to design solutions that meet specific requirements in the securities markets.

Programme Highlights

- One-year fast-track residential programme divided into four terms
- Designed to provide holistic understanding of securities markets
- Globally benchmarked curriculum
- Academic Council and Faculty Team constituted by top academicians, industry veterans and market practitioners
- Proximity to the industry and policy makers
- Policy-research based inputs
- Inputs on market regulations from officers of SEBI
- Modern technology – trading simulation with streaming market data, databases like Bloomberg, Prowess, etc.
- Multiple pedagogy – simulations, internships, live projects, cases, book-film reviews, conferences, workshops, etc.
- State-of-the-art infrastructure conducive to contemplative learning



Following organizations have recruited through the campus placement programmes

 STCI Primary Dealer Ltd.	 Kotak Securities	 SS&C	 markit	 FEDERAL BANK YOUR PERFECT BANKING PARTNER	 IFA GLOBAL Knowledge Partners You Can Trust	 uti UTI Mutual Fund	 JM FINANCIAL
 accenture High performance. Delivered.	 PRIME DATABASE	 Canara Bank	 HDFC BANK We understand your world	 Bloomberg Quint	 J.P.Morgan	 SBIMUTUAL FUND A PARTNER FOR LIFE	 MATA SECURITIES
 Asit C. Mehta INVESTMENT INTERMEDIATES LTD. An ISO 9001:2008 company	 ANANDRATHI PRIVATE WEALTH MANAGEMENT. uncomplicated.	 SHCIL Services Ltd.	 Capgemini CONSULTING. TECHNOLOGY. SOURCING	 ICICI Bank	 YES BANK	 CREDIT SUISSE	 Angel Broking Service Truly Personalized

NISM CERTIFICATION

1. Launch of IBBI – Limited Insolvency Examination

IBBI – Limited Insolvency Examination was launched on December 31, 2016. This examination is mandated under the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 made under the Insolvency and Bankruptcy Code, 2016. It is one of the mandatory conditions for registration as an insolvency professional with the Insolvency and Bankruptcy Board of India (IBBI).

2. Revision of NISM Certification Examinations

To incorporate the market changes and as part of the periodic review, NISM has updated and launched the following certification examinations:

- (a) NISM-Series-VII: Securities Operations & Risk Management Certification Examination w.e.f. September 15, 2016
- (b) NISM-Series-V-A: Mutual Fund Distributors Certification Examination (Hindi) w.e.f. September 15, 2016.
- (c) NISM-Series-XIV: Internal Auditors for Stock Brokers Certification Examination w.e.f. September 22, 2016.
- (d) NISM-Series-II-B: Registrar and Transfer Agents (Mutual Fund) Certification Examination w.e.f. November 5, 2016
- (e) NISM-Series-II-A: Registrar and Transfer Agents (Corporate) Certification Examination w.e.f. November 16, 2016
- (f) NISM-Series-V-B: Mutual Fund Foundation Certification Examination w.e.f. December 1, 2016

3. Revision of NISM CPE Program

To incorporate the market changes and as part of the periodic review, NISM has updated and launched the following CPE Programs:

- (a) NISM-Series-VII: Securities Operations & Risk Management Certification Examination w.e.f. September 1, 2016.
- (b) NISM-Series-II-B: RTA Mutual Fund Certification Examination w.e.f. November 5, 2016.
- (c) NISM-Series-II-A: RTA Corporate Certification Examination w.e.f. November 16, 2016.

- (d) NISM-Series-V-B: Mutual Fund Foundation Certification Examination w.e.f. November 16, 2016

Corporate Solutions Offerings



NISM is successfully providing innovative solutions to financial sector institutions to assist them in assessing knowledge levels of their human resources, defining training needs and developing and implementing training programs that help their employees to become more proficient in their existing functions and also provide them with opportunities to expand their know-how in other specialized areas within the financial markets domain. Our offerings are mentioned below:

Off-the-Shelf Training Solutions

NISM announces various open programs for Corporates, Banks, Stock Brokers and other financial market intermediaries. These programs cover specialized subjects for functions across the financial market spectrum. The program schedule is published on the NISM website from time to time.

Customised Training Solutions

NISM also offers specialized training programs to Corporates, Banks, Mutual Funds, Stock Brokers and other financial intermediaries. These programs are customised and tailor-made according to their specific requirements.

Assessment Solutions

NISM offers customized internal assessments to assist financial sector organizations in mapping essential employee skills against desired objectives. These assessments enable financial sector organizations to evaluate the skills of various employees; identify suitable roles and responsibilities for them based on their knowledge; and to identify training needs across the organization. We further develop and implement training solutions to meet these needs.

On-Boarding Programs

NISM provides On-Boarding Programs for Entry Level Recruitment at Financial Institutions. These programs help market institutions gain access to resources that are already trained in academic knowledge and practical skills and are job ready.

Corporate Solutions Activities for 2016-17

The programs conducted for the year 2016-17 include:

Off-the-Shelf Training Programs (Open Programs)

Date/s	Name of Program	Venue
06 & 07 August, 2016	Fundamental Analysis	Navi Mumbai
30 & 31 July, 2016	Option Trading Strategies	Navi Mumbai
20 & 21 August, 2016	Technical Analysis	Navi Mumbai
27 August, 2016	Understanding & Analyzing Mutual Fund Performance	Navi Mumbai
26 & 27 November, 2016	Technical Analysis (NISM & Sakal - SILC)	Pune
21 & 22 January, 2017	Technical Analysis (NISM & Sakal - SILC)	Pune

Customised Training programs

Date/s	Name of Program	Financial Intermediaries	Venue
13 November, 2016	Commodity Options	Kotak Commodities	Mumbai
19 November, 2016	Program on Equity Derivatives	HDFC Securities	Navi Mumbai
19 November, 2016	Program on Equity Derivatives	HDFC Securities	Delhi
26-27 November & 4 December 2016	Derivatives Trading & Advanced Strategies	Kotak Securities	Mumbai
26-27 November & 4 December 2016	Derivatives Trading & Advanced Strategies	Kotak Securities	Mumbai
1 December, 2016	Understanding Financial Markets	Canara HSBC OBC Life Insurance	Delhi
8 December, 2016	Understanding Financial Markets	Canara HSBC OBC Life Insurance	Mumbai
10-11 December 2016 & 18 March 2017	Derivatives Trading & Advanced Strategies	Kotak Securities	Kolkata
17 & 18 December 2016 & 5 March 2017	Derivatives Trading & Advanced Strategies	Kotak Securities	Mumbai
15 January 2017	Understanding Financial Markets	Canara HSBC OBC Life Insurance	Delhi
14 & 15 January 2016 & 18 March 2017	Derivatives Trading & Advanced Strategies	Kotak Securities	Delhi
14 & 15 January 2016 & 25 March 2017	Derivatives Trading & Advanced Strategies	Kotak Securities	Delhi
19 January 2017	Understanding Financial Markets	Canara HSBC OBC Life Insurance	Bangalore
20 January 2017	Understanding Financial Markets	Canara HSBC OBC Life Insurance	Mumbai
22 January 2017	Understanding Financial Markets	Canara HSBC OBC Life Insurance	Kolkata
18 & 19 February 2016 & 19 March 2017	Derivatives Trading & Advanced Strategies	Kotak Securities	Bangalore
18 & 19 February 2016 & 19 March 2017	Derivatives Trading & Advanced Strategies	Kotak Securities	Bangalore
27 February to 6 March 2017	Training Program in Securities Markets	HDFC Securities	Navi Mumbai

Assessment Testing for Financial Intermediaries

Date	Assessment Testing	Financial Intermediaries	Venue
July 2016	Online Assessment for employees engaged in Derivatives	Kotak Securities	Across India

FEATURED CERTIFICATION EXAMINATION

NISM-SERIES-III-A: SECURITIES INTERMEDIARIES COMPLIANCE (NON-FUND) CERTIFICATION EXAMINATION

About the Certification Examination for Securities Intermediaries Compliance

NISM-Series-III-A: Securities Intermediaries Compliance (Non-Fund) Certification Examination seeks to create a common minimum knowledge benchmark for persons engaged in compliance function with any intermediary registered with SEBI as Stock Brokers, Sub-Brokers, Depository Participants, Merchant Bankers, Underwriters, Bankers to the Issue, Debenture Trustees and Credit Rating Agencies.

The certification aims to enhance the quality of services as rendered by those engaged in compliance activities. It also aims at ensuring that the compliance officers are aware of the different regulations which govern the Securities Market.

The examination was launched on January 28, 2013.

Examination Objectives

The certification aims to enhance the quality of services as rendered by those engaged in compliance activities. It also aims at ensuring that the compliance officers are aware of the different regulations which govern the Securities Market.

Assessment Structure

The examination consists of 100 questions of 1 mark each and should be completed in 2 hours. The passing score on the examination is 60%. There shall be negative marking of 25% of the marks assigned to a question.

How to register and take the examination

To find out more and register for the examination, please visit www.nism.ac.in or <http://www.nism.ac.in/certification/index.php/nism-certifications/compliance/securities-intermediaries-compliance-non-fund>

More than 6 lacs certificates issued to market participant till date.

NISM certification examinations conducted at 150+ centers across India.

NATIONAL CENTRE FOR FINANCIAL EDUCATION (NCFE)



1. NCFE website in Gujarati language was launched. NCFE website is now available in 7 languages viz. English, Hindi, Tamil, Bengali, Marathi, Telugu and Gujarati. NCFE website is also being continuously updated by adding more videos and content.
2. NCFE conducted Financial Education Training Program at Azamgarh, Uttar Pradesh on 12th and 13th November 2016. Around 70 teachers were certified as Money Smart Teacher.
3. Money Smart School Program (MSSP) is an initiative of NCFE to provide financial education along with existing school curriculum. As of now around 250 schools have registered for this program. One set of Financial Education workbooks, 1 CD having soft copies of FE workbooks in printable format and curriculum have been sent to these schools. Question papers have been prepared for evaluation of students. Gyan Mandir Public School, New Delhi became the first Money Smart School in the country. A felicitation program was organized in school on 1st December, 2016 and certificates were distributed to school and students.
4. NCFE conducted National Financial Literacy Assessment Test (NFLAT) for school students from class VI to X. The offline exam (pen and paper mode) was conducted on 9th December, 2016. The window for online exam is open till 14th January 2017. Total number of students registered for NFLAT 2016-17 are around 2.40 lakhs.
5. NCFE organized Policy Forum on Financial Literacy and Financial Inclusion on 15th and 16th December, 2016 at NISM campus, Patanganga.

The highlights of the Policy Forum are as follows:

15th December, 2016

On 15th December, 2016 a Pre Dinner talk on Overview of National Strategy for Financial Education (NSFE) was delivered by Shri Prashant Saran, Former Whole Time Member, Securities and Exchange Board of India (SEBI).

16th December, 2016

Shri Sandip Ghose, Director, National Institute of Securities Markets (NISM) welcomed the participants with the Welcome. This was followed by a presentation about National Centre for Financial Education's (NCFE's) strategies, activities, efforts and experiences and Financial Literacy and Inclusion Survey in India (2013-14) by Shri G.P. Garg, Registrar, NISM and Head NCFE.

The Honourable Chief Guest of the Occasion Dr. Harsh Kumar Bhanwala, Chairman, National Bank for Agriculture and Rural Development (NABARD) delivered the Inaugural Address.

Prof. Dennis Philip, Durham University Business School gave a presentation on "Financial Literacy and Financial Fragility: Global highlights with local insights".

This presentation was followed by a presentation by Prof. Sobhesh Kumar Agrawalla from the Indian Institute of Management, Ahmedabad on topic "Is crop insurance the answer to the Agrarian Crisis in India?"

Prof. Anurag Banerjee of Durham University Business School delivered presentation on Financial Literacy, Awareness and Inclusion.

The presentations by speakers were followed by Policy Round Table and the dignitaries who participated include Shri M. Pulla Rao, Executive Director, Insurance Regulatory and Development Authority of India, Shri A Udgata, PCGM, Reserve Bank of India, Shri. N Hariharan, Chief General Manager, Securities and Exchange Board of India and Ms. Mamta Rohit, Chief General Manager, Pension Fund Regulatory and Development Authority. These

representatives from the financial sector regulators talked about the Challenges in Financial Literacy and Financial Inclusion in India.

Delegates from Financial Sector Regulators, Market Participants, Intermediaries, Management institutions, Non Governmental Organizations etc. from all parts of the country participated in the Policy Forum on Financial Literacy and Financial Inclusion.



Money Smart School Program in Gyan Mandir Public School, New Delhi



Pre dinner talk on 'Overview of National Strategy for Financial Education'



Chief Guest, Dr. Harsh Kumar Bhanwala, Chairman, National Bank for Agriculture and Rural Development (NABARD) delivered the Inaugural Address.



Dignitaries during Policy Round Table: Shri A Udgata, PCGM, RBI, Ms. Mamta Rohit, CGM, PFRDA, Shri Sandip Ghose, Director, NISM, Shri M. Pulla Rao, Executive Director, IRDAI and Shri. N Hariharan, CGM, SEBI

DIFFERENTIAL VOTING RIGHTS ISSUED BY INDIAN COMPANIES

– Pradiptarathi Panda, Research Associate, NISM

Share Capital is issued by a company limited by shares are of two types

- a. Equity share Capital-
 - (i) Equity Share capital with voting rights
 - (ii) Equity share capital with differential rights as to dividend or voting (DVR)
- b. Preference Share Capital

The concept of DVR originated in France in 1920. Companies in USA and Canada had also issued such shares. But in India, it is a relatively new concept. DVRs allow investors to earn a better return by surrendering their voting rights. It allows a company to dilute its equity without matching dilution in the promoter's stake. Some investors are passive in nature and invest only for economic returns, not for having a say in its management. DVRs are also called as "Dual Class" of shares and are gaining popularity in the present day. Globally, companies like Google, Ford, BMW, Bombardier, Brown Forman, Comcast Corp, Fiat, Forest City, Telephone & Data System, Viacom, Volkswagen, Haverty Furniture, Hubbel Inc, Lennar Corp, News Corp, Samsung Electronics etc., have issued DVRs. Most of the DVRs have been issued by American companies. Some exchanges like Singapore Stock Exchange are not allowing DVR. Considering the US market, researchers find agency cost is higher in case of dual class of shares, as compared to ordinary shares (Ingovern, 2010-12).

In India, first DVR was allowed in the year 2001 with an amendment in provisions of Section 86 of Companies Act 1956. The issue of shares by a company with regards to voting rights may be higher or lower. For example, it can issue shares where the voting right is one for every 3 shares or one for every 5 shares. If the shares are issued with reduced voting rights, they are likely to be available at a lower price as well. But the first DVR issued by Indian companies was in November 2008, by Tata Motors. So far

only four Indian Companies has issued DVRs. In 2009, in the court case in Anand Pershad Jaiswal and Ors v. Jagajit Industries Ltd. Ad Ors it was observed that a company had issued superior voting rights shares i.e. 20 voting rights per share. This causes increase of voting rights to 62% for the promoters who held 32% of stake in the company. As a result, minority shareholders Anand Jaiswal and Jagatjit Jaiswal (together held 12% share) filed a petition with Company Law Board (CLB).

Advantages of Issue of DVRs:

To the Company- a Company can raise more capital without diluting ownership structure. DVRs are also helpful for price discovery and avoids unfriendly takeovers.

To Investors- Investors get DVR shares at a discount, as compared to ordinary shares. It helps them to get a high dividend compared to ordinary shares.

Disadvantages of Issue of DVRs:

To a Company: a Company becomes less valuable. Institutional investors are restricted from investing in such shares. Due to less awareness among investors, DVRs may get illiquid.

To Investors: It is not beneficial for institutional investors. It is illiquid and may hamper returns. It avoids takeovers. DVRs make management excessively powerful.

DVRs issued by Indian Companies

In 2008, Tata Motors became the first Indian Company to make a rights issue of DVRs. Pantaloon Retail India is the 2nd company, which issued DVRs in February 2009.

Tata Motors DVR: In 2008, 7 years after the rules were notified by the Central Government, Tata Motors became the first company to issue equity shares with DVR. As a part

of its rights issue of Rs. 4145 crore, Tata Motor Issued DVRs of Rs. 6.4 crore. This issue caused was for the repayment a loan taken for its acquisition of Jaguar Land Rover. The ordinary rights issue was priced at Rs. 340 per share, Rs. 35 higher than the DVR share. However, for every 1% dividend on ordinary shares, Tata Motor agreed to pay 6% dividend on a DVR. Hence, the shares with differentials voting rights carried lesser voting rights than the ordinary shares. Tata Motors provide one voting rights per 10 shares.

Pantaloon Retail India Limited (Now comes under Futures Enterprises Limited): In February 2009, it offered bonus DVR shares to its existing shareholders in the company. These bonus shares were offered in the ratio of one bonus share with differential voting rights for every 10 equity shares held by the shareholders on a specified date. The new shares are called class B shares which entitled the shareholders to an additional 5% of the dividend over the

dividend payable to class A shares in any financial year.

Gujarat NRE Coke Limited: In September 2009, Gujarat NRE Coke issued 1 bonus DVR share for every 10 equity shares held by share holders. This DVR provides one voting right per 100 DVR shares.

Jain Irrigation: This Company issued its first DVR in November 2011 as a bonus issue to its existing shareholders. 10 DVR is equals to 1 voting right for its investors.

Due to lack of awareness in India about DVR, only 4 companies has issued such instruments till date. Potentially, centralised decision-making power of companies could be an object of misuse, and could result in losses to ordinary shareholders. Issue of shares with superior voting rights is prohibited by SEBI in July 21, 2009. However, shares with inferior voting rights are permitted.

Tabulated below is the share price performance* of DVRs in India:

	CMP	52 week high	52 week low	Dividend per share In Re	MC Rs., Crores
Tata Motors DVR	278.50	378.15	244.15	0.30	14,232.98
Tata Motors	468.45	598.40	336.00	0.20	88,039.58
Gujrat NRE Coke Ltd DVR	2.15	3.85	1.70	0.50 (17.09.2012)	7.56
Gujrat NRE Coke Ltd	2.75	4.40	2.45	0.50 (17.09.2012)	169.46
Futures Enterprises Ltd DVR	26.65	139.80	12.45	0.14	29.16
Futures Enterprises Ltd	26.90	156.45	14	0.10	496.41
Jain Irrigation Systems Ltd DVR	59.40	66.90	37.05	0.50	80.36
Jain Irrigation Systems Ltd	89.55	108.60	54.50	0.50	2,846.52

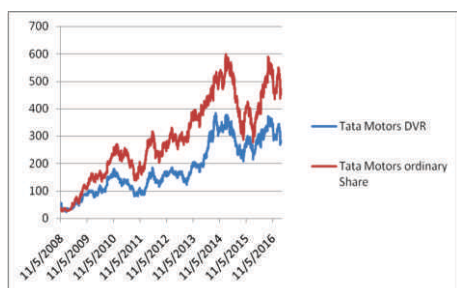
*data as on 10th March 2017; Source- NSE and Bloomberg

Note- CMP= Current Market Price, MC=Market Capitalisation

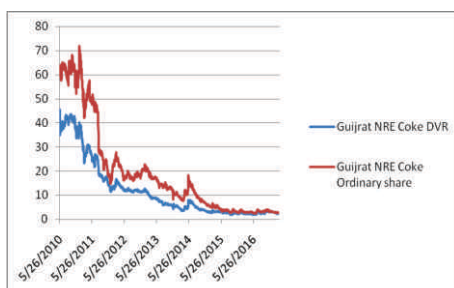
From the above table, we observe that the DVRs are traded at lower price than ordinary shares and earned good amount of dividend as compared to ordinary shares. As a result of which, market capitalisation for DVRs shares are less than ordinary shares. Among all four companies, Tata Motors' DVRs are trading in an active manner. This is also

proved in the chart below. All companies' DVRs prices are trending upwards, except Gujarat NRE Coke, which has not distributed dividend since 2012 and even in 2012, it has provided same dividend for DVRs as well as ordinary shares.

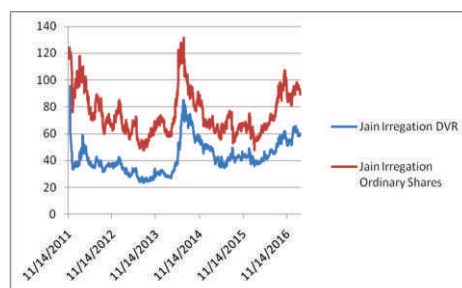
The prices of DVRs as well as Ordinary shares of different companies are given in below figures.



Tata Motors



Gujrat NRE Coke



Jain Irrigation Systems

Source: Bloomberg

Companies Act 2013 on equity shares with differential rights

1. No company limited by shares shall issue equity shares with differential rights as to dividend, voting or otherwise, unless it complies with the following conditions, namely-
 - a. The articles of association of the company authorises the issue of shares with differential rights
 - b. The issue of shares is authorised by an ordinary resolution passed at general meeting of the shareholders
 - c. The shares with differential rights shall not exceed twenty six percent of the total post issue paid up equity share capital including equity shares with differential rights issued at any point of time
 - d. The company has a consistent track record of distributable profits for the last three years
 - e. The company has not defaulted in filing financial

statements and annual returns for three financial years immediately preceding the financial year in which it is decided to issue such shares

- f. The company has no subsisting default in the payment of a declared dividend to its shareholders or repayment of its matured deposits or redemption of its preference shares or debentures that have become due for redemption or payment of interest on such deposits or debentures or payment of dividend;
- g. The company has not defaulted in payment of the dividend on preference shares or repayment of any term loan from a public financial institution or State level financial institution or scheduled Bank that has become repayable or interest payable thereon or dues with respect to statutory payments relating to its employees to any authority or default in crediting the amount in Investor Education and Protection Fund to the Central Government:

[Provided that a company may issue equity shares with differential rights upon expiry of five years from the end of the financial year in which such default was made good;]
- h. The company has not been penalised by Court or Tribunal during the last three years of any offence under the Reserve Bank of India Act, 1934, the

Securities and Exchange Board of India Act, 1992, the Securities Contract regulation Act, 1956, the Foreign Exchange Management Act, 1999 or any other special Act, under which such companies being regulated by sectoral regulators.

2. The explanatory statement to be annexed to the notice of the general meeting in pursuance of section 102 or of a postal ballot in pursuance of section 110 shall contain the following particulars, namely:-

- a. The total number of shares issued with differential rights;
- b. The details of the differential rights
- c. The percentage of the shares with differential rights to total post issue paid up equity share capital including equity shares with differential rights issued at any point of time;
- d. The reasons or the justification for the issue;
- e. The price at which such shares are proposed to be issued either at par or at premium;
- f. The basis on which the price has been arrived at;
- g. (i) in case of private placement or preferential issue-
 - (a) Details of total number of shares proposed to be allotted to promoters, directors and key managerial;
 - (b) Details of total number of shares proposed to be allotted to persons other than promoters, directors and key managerial personnel and their relationship if any with any promoter, director or key managerial personnel;(ii) in case of public issue- reservation, if any, for different classes of applicants including promoters, directors or key managerial personnel;
- h. The percentage of voting right which the equity share capital with differential voting right shall carry to the

total voting right of the aggregate equity share capital;

- i. The scale of proportion in which the voting rights of such class or types of shares shall vary;
 - j. The change in control, if any, in the company that may occur consequent to the issue of equity shares with differential voting rights;
 - k. The diluted earning per share pursuant to the issue of such shares, calculated in accordance with the applicable accounting standards;
 - l. The pre and post issue of shareholding return along with voting rights as per clause 35 of the listing agreement issued by Security Exchange Board of India from time to time.
3. The company shall not convert its existing equity share capital with voting rights into equity share capital carrying differential voting rights and vice versa.
4. The Board of Directors shall, inter alia, disclose the Boards Report for the financial year in which the issue of equity shares with differential rights was completed, the following details, namely:-
- a. The total number of shares allocated with differential rights
 - b. The details of the differential rights relating to voting rights and dividends
 - c. The percentage of the shares with differential rights to the total post issue equity share capital with differential rights issued at any point of time and percentage of voting rights which the equity share capital with differential voting right shall carry to the total voting right of the aggregate equity share capital
 - d. The price at which such shares have been issued
 - e. The particulars of promoters, directors or key

- managerial personal to whom such shares are issued
- f. The change in control, if any, in the company consequent to the issue of equity shares with differential voting rights
 - g. The diluted earnings per share pursuant to the issue of each class of shares, calculated in accordance with the applicable accounting standards
 - h. The pre and post issue share holding pattern along with voting rights in the format specified under sub-rule(2) of rule 4
5. The holders of the equity shares with differential rights shall enjoy all other rights such as bonus shares, right shares etc, which the holders of equity shares are entitled to, subject to the differential rights with which such shares have been issued.
 6. Where a company issued equity shares with differential rights, the register of members maintained under

section 88 shall contain all the relevant particulars of the shares so issued along with detailed of the share holders

[explanation- for the purposes of the rule it is hereby classified that equity shares with differential rights issued by any company under the provision of the Company Act 1956(1 of 1956) and the rules made there under, shall continue to be regulated under such provisions and rules.]

Source: Corporate Laws (2016)

The popularity of DVR is very low in India as well as internationally. The regulators and market participants need to give attention to promote this product in their respective countries.

Reference

Corporate Laws (2016). Volume 1, Taxmann Publication
Ingovern (2011). All you wanted know about DVRs. Pp-1-7
www.nseindia.com
www.sebi.gov.in

INITIATED BY SEBI

UNIQUE CLIENT CODE (UCC) & MANDATORY REQUIREMENT OF PERMANENT ACCOUNT NUMBER (PAN)

SEBI/HO/CDMRD/DMP/CIR/P/2016/87

1. As per Section 131(4) of Finance Act, 2015 all rules, directions, guidelines, instructions, circulars, or any like instruments, made by the erstwhile FMC or the Central Government applicable to recognized associations under the FCRA would continue to remain in force for a period of one year from the date on which FCRA was repealed (September 29, 2015), or till such time as notified by SEBI, whichever is earlier.
 2. Erstwhile FMC, from time to time, had prescribed various norms related to UCC and Mandatory requirement of PAN. This circular is being issued to consolidate and update such norms prescribed by erstwhile FMC.
 3. It shall be mandatory for the members of the commodity derivatives exchanges to use Unique Client Code (UCC) for all clients transacting on the commodity derivatives exchanges. The commodity derivatives exchanges shall not allow execution of trades without uploading of the UCC details by the members of the exchange. For this purpose, members shall collect after verifying the authenticity and maintain in their back office the copies of Permanent Account Number (PAN) issued by the Income Tax Department, to all their clients.
 4. PAN would be the sole identification number and mandatory for all entities/persons who are desirous of transacting on the commodity derivatives exchanges.

However, the investors residing in the State of Sikkim are exempted from the mandatory requirement of PAN. The exchanges should, however, ensure a system of proper verification to verify that such members / investors are residents of the State of Sikkim.

Further, PAN may not be insisted in the case of Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market. The intermediary shall verify the veracity of the claim of the specified organizations, by collecting sufficient documentary evidence in support of their claim for such an exemption.
 5. The commodity derivatives exchanges shall ensure that the members of their exchanges shall:
 - collect copies of PAN cards issued to their existing as well as new clients after verifying with the original.
 - cross-check the aforesaid details collected from their clients with the details on the website of the Income Tax Department.
 6. The Member shall also be required to furnish the above particulars of their clients to the commodity derivatives exchanges and the same would be updated on a monthly basis. Such information for a specific month should reach the exchange within 7 working days of the following month.
 7. The commodity derivatives exchanges shall impose penalty on the member at the rate of 1% of the value of every trade that has been carried out by the member without uploading the UCC details of the clients. The penalty so collected by the Commodity Derivatives Exchanges shall be transferred to the Investor protection Fund (IPF). Further, if the client details are not uploaded within a month of the trade, the member is liable to be suspended.
 8. The commodity exchanges shall be required to maintain a database of client details submitted by members. Historical records of all such submissions shall be maintained for a period of 7 years by the Exchanges.
 9. The provisions of this circular shall come into immediate effect in supersession of all earlier directives issued by erstwhile FMC with regard to matters related to UCC and Mandatory requirement of PAN.
 10. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
 11. The Commodity Derivatives Exchanges are advised to:
 - i. to make necessary amendments to the relevant bye-laws, rules and regulations.
 - ii. bring the provisions of this circular to the notice of the stock brokers of the Exchange and also to disseminate the same on their website.
 - iii. communicate to SEBI, the status of the implementation of the provisions of this circular.
 12. This circular is available on SEBI website at www.sebi.gov.in under the category "Circulars" and "Info for Commodity Derivatives".
- upload details of PAN so collected to the Exchanges as part of Unique Client Code.
 - verify the documents with respect to the unique code and retain a copy of the document.

INITIATED BY RBI

MONEY MARKET FUTURES

RBI/2016-17/104

FMRD.DIRD.10/14.03.01/2016-17

1. As announced in the first Bi-Monthly Monetary Policy Statement, 2016-17, it has been decided to introduce Interest Rate Futures based on any rupee denominated money market interest rate or money market instrument on SEBI authorised stock exchanges.
2. In this regard, the Reserve Bank of India has issued a Notification FMRD.DIRD.09/ 2016 dated October 28, 2016 amending the Interest Rate Futures (Reserve Bank) Directions, 2013 dated December 5, 2013 to permit cash settled interest rate futures based on money market benchmarks in general.
3. It may be noted that RBI had already permitted introduction of futures based on the 91-day Treasury Bill, which is a money market instrument. The purpose of the current directions is to permit futures based on any money market instrument or money market interest rate, other than the 91-day Treasury Bill Futures, which has been already permitted.
4. Registered exchanges are free to select the underlying instrument or interest rate and structure other details of the contracts. However, before any new or modified futures contract is introduced for trading on the exchanges, the registered exchanges shall submit complete details of the futures contract, duly ratified by SEBI, to the Reserve Bank for approval.
5. A copy of the Interest Rate Futures (Reserve Bank) (Amendment) Directions, 2016 which is placed on the RBI Website, is enclosed.

AADHAAR-BASED AUTHENTICATION FOR CARD PRESENT TRANSACTIONS

RBI/2016-17/170

DPSS.CO.PD No.1421/02.14.003/2016-17

1. A reference is invited to our circular DPSS. CO. PD. No. 892 / 02.14.003/2016-17 dated September 29, 2016 wherein banks were advised to ensure that all new card present acceptance infrastructure deployed with effect from January 1, 2017 are enabled for processing payment transactions using Aadhaar-based biometric authentication also.
2. It has been brought to our notice that the rate of deployment of acceptance infrastructure has slowed down owing to the mismatch between demand and supply of such Aadhaar-enabled devices. Therefore, on a review, it has been decided to extend the time for deployment of Aadhaar-enabled devices till June 30, 2017. However, banks may continue to make necessary arrangements, including changes as host-end, network level and device readiness, as required to ensure adherence to above instructions.
3. Further, it is also clarified that the instructions contained in our circular dated September 29, 2016 are for deployment of new card acceptance infrastructure. As regards enablement of existing card acceptance infrastructure for processing payment transactions using Aadhaar-based biometric authentication, the timeline will be advised in due course.
4. This directive is issued under Section 10(2) read with Section 18 of Payment and Settlement Systems Act 2007 (Act 51 of 2007).
5. Please acknowledge the receipt of this circular.

INITIATED BY PFRDA

INTRODUCTION OF “ADVISORY FEE” UNDER REGULATION 15 OF PFRDA (RETIREMENT ADVISER) REGULATIONS, 2016.

PFRDA/36/R&S/RA/4

1. This has reference to the Regulation no.15 of the PFRDA (Retirement Adviser) Regulations, 2016, wherein the on-boarding fee of Rs. 120/- and a fee of Rs. 20/- per transaction or a maximum of Rs. 100/- per annum, for subsequent services, have been stipulated.
2. Further to the abovementioned charges, it has been decided by the authority that an advisory fee of 0.02% may also be charged from any existing subscriber, on their assets under management (AUM) of NPS or any other scheme regulated by PFRDA, on the date of advice, subject to a minimum of Rs. 100/- and maximum Rs. 1000/- per annum, for providing advice to the subscribers.
3. The scope of such advice being provided by the retirement advisers in any manner, either oral or in writing to the subscribers will be limited to asset allocation and choice of a Pension Fund Manager (PFM) for their financial assets under NPS or any other scheme regulated by PFRDA.
4. The advisory fee can be charged by retirement adviser (RA) only when subscriber has signed an agreement with the RA for providing advice, wherein the lower and upper limits of advisory fee, as specified by the Authority may be incorporated. No advisory fee shall be charged at the time of on boarding of the subscriber along with on boarding fee of Rs. 120/-.
5. The circular is being placed on PFRDA website at <http://www.pfrda.org.in>.

NISM Certification Examinations		Duration (in mins)	Max Marks	Pass Marks (%)	Negative Marks	Certificate Validity (in years)	Fees (₹)
01	NISM-Series-I: Currency Derivatives	120	100	60	25%	3	₹ 1500
02	NISM-Series-II-A: Registrars to an Issue and Share Transfer Agents - Corporate	120	100	50	25%	3	₹ 1500
03	NISM-Series-II-B: Registrars to an Issue and Share Transfer Agents - Mutual Fund	120	100	50	25%	3	₹ 1500
04	NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund)	120	100	60	25%	3	₹ 1500
05	NISM-Series-III-B: Issuers Compliance	120	100	60	25%	3	₹ 1725
06	NISM-Series-IV: Interest Rate Derivatives	120	100	60	25%	3	₹ 1500
07	NISM-Series-V-A: Mutual Fund Distributors	120	100	50	-	3	₹ 1500
08	NISM-Series-V-B: Mutual Fund Foundation	120	50	50	-	3	₹ 1200
09	NISM-Series-V-C: Mutual Fund Distributors (Level 2)	120	100	60	25%	3	₹ 1725
10	NISM-Series-VI: Depository Operations Certification Examination	120	100	60	25%	3	₹ 1500
11	NISM-Series-VII: Securities Operations and Risk Management	120	100	50	25%	3	₹ 1500
12	NISM-Series-VIII: Equity Derivatives	120	100	60	25%	3	₹ 1500
13	NISM-Series-IX: Merchant Banking	120	100	60	25%	3	₹ 1500
14	NISM-Series-X-A: Investment Adviser (Level 1)	120	100	60	25%	3	₹ 1500
15	NISM-Series-X-B: Investment Adviser (Level 2)	120	100	60	25%	3	₹ 1500
16	NISM-Series-XI: Equity Sales	120	100	50	25%	3	₹ 1725
17	NISM-Series-XII: Securities Markets Foundation	120	100	60	-	3	₹ 1725
18	NISM-Series-XIII: Common Derivatives	180	150	60	25%	3	₹ 3000
19	NISM-Series-XIV: Internal Auditors for Stock Brokers	120	100	60	25%	3	₹ 1725
20	NISM-Series-XV: Research Analyst	120	100	60	25%	3	₹ 1500
21	NISM-Series-XVII: Retirement Adviser	120	100	60	25%	3	₹ 1500
22	IBBI - Limited Insolvency Examination	120	100	60	25%	Valid for life time	₹ 1000

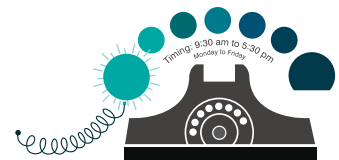
National Institute of Securities Markets
NISM Bhavan, Plot No. 82, Sector 17, Vashi,
Navi Mumbai - 400703 India

Email: certification@nism.ac.in
www.nism.ac.in/certification



Helpline Number
+91 8080806476

Timing: 9:30am to 5:30pm Monday to Friday (Except Holidays)





NiSM Patalganga Campus



NiSM National Institute of Securities Markets
(An Educational Initiative of SEBI)

NISM Bhavan, Plot No. 82, Sector-17, Vashi, Navi Mumbai - 400 703.

Phone: 022 66735100-02 | Fax: 022 66735110

www.nism.ac.in