

STRUCTURE OF FINANCIAL STABILITY AND DEVELOPMENT COUNCIL

The present structure of FSDC along with its Sub-Committee and various Working Groups/Technical Groups constituted under the aegis of the Sub-Committee is listed below.

1. Financial Stability and Development Council (FSDC):

- With a view of strengthening and institutionalizing the mechanism for maintaining financial stability, enhancing inter-regulatory coordination and promoting financial sector development, the Financial Stability and Development Council (FSDC) was set up by the Government as the apex level forum in December 2010. The Chairman of the Council is the Finance Minister and its members include the heads of all Financial Sector Regulators (RBI, SEBI, PFRDA & IRDA) Finance Secretary and/or Secretary, Department of Economic Affairs (DEA), Secretary, Department of Financial Services (DFS), and Chief Economic Adviser. The Council can invite experts to its meeting if required.
- Without prejudice to the autonomy of Regulators, the Council monitors macro prudential supervision of the economy, including functioning of large financial conglomerates, and addresses inter-regulatory coordination and financial sector development issues. It also focuses on financial literacy and financial inclusion.
- The Council has had 15 meetings so far and the last meeting was held on 5th July, 2016. The FSDC Secretariat in DEA is the Secretariat for the Council.

2. FSDC Sub-Committee:

- The FSDC Sub-Committee has been set up under the chairmanship of Governor, RBI and meets more often than the full Council. All members of the FSDC are also the members of the Sub-Committee. Additionally, all four Deputy Governors (DG) of the RBI and Additional Secretary, DEA, who is in charge of FSDC, are also the members of the Sub-Committee.
- Executive Director (ED), RBI (in-charge-of Financial Stability) is the Member Secretary, while the Financial Stability Unit (FSU) of RBI is the Secretariat for the Sub-Committee.
- The Sub-committee has met 18 times so far and the last meeting was held on 29th August, 2016.

3. Working Groups/Technical Groups under FSDC Sub-Committee.

3.1. Inter Regulatory Technical Group (IR-TG):

- The Inter-Regulatory Technical Group was set up in September 2011, as per the terms of the decision of the 3rd meeting of the FSDC Sub-Committee held on 16th August 2011, for the purpose of inter-regulatory coordination among the financial sector regulators. The Group is headed by, who is in charge of Financial Stability, RBI and represented by Executive Director /Chief General Manager (CGM) level officers of the other Regulators. The working of this Group is routinely apprised to the FSDC Sub-Committee.
- The Group generally meets once in every two to three months and discusses issues relating to risks to systemic financial stability and inter-regulatory coordination and provides inputs to the Sub-Committee.
- The Group has held 20 meetings so far.

3.2. Technical Group on Financial Inclusion and Financial Literacy (TGFIFL):

- The Technical Group on Financial Inclusion and Financial Literacy was set up in November 2011 as per the terms of the decision of the 3rd meeting of the FSDC Sub-Committee meeting held on 16th August 2011. The Group is chaired by Deputy Governor, RBI who is in charge of Financial Stability and has representatives from all regulators (at the level of ED/CGM) as well as from DEA and DFS (at the level of Joint Secretary).
- The Group has held 13 meetings so far.

3.3 Inter Regulatory Forum for monitoring Financial Conglomerates (IRF-FC):

- Modelled around the 'lead regulator' principle, the Inter-Regulatory Forum for monitoring Financial Conglomerates was set up in August 2012 as approved by the FSDC Sub-Committee in its 6th meeting held in 19th March 2012. The IRF-FC is headed by the Deputy Governor, RBI (in-charge-of the Department of Banking Supervision) and represented by senior representatives of all the Financial Sector Regulators at the level of Executive Directors.
- The Group has held 19 meetings so far.

3.4 Early Warning Group (EWG):

- The Early Warning Group was set up by the FSDC Sub-Committee in June 2012 as per decisions taken in the 6th FSDC Sub-Committee Meeting held in 19th March 2012 to coordinate the response of Government & Regulators in the time of a crisis. The Group is chaired by Deputy Governor, RBI, who is in charge of Financial Markets Department. The members of EWG are Joint Secretary level representatives (from DEA & DFS), and Member/ED level officers from Financial Sector Regulators.
- The Group has held 6 meetings so far.

3.5 Working Group on resolution regime for financial institutions:

- This Working Group was constituted in January 2013 under the Co-Chairmanship of Shri Anand Sinha, Deputy Governor, RBI, and Secretary (DEA). The financial sector regulators at the level of Executive Director/General Manager/Joint Director/Principal Legal Adviser are the members of this Group.
- The mandate of the Group is to examine the existing resolution regime/ framework for the entire financial sector as a whole and identify the current gaps in the national resolution regime/ framework vis-à-vis the FSB Key Attributes. With this background, the Group would recommend changes in the legal framework to facilitate the required resolution regime including cross border resolution.
- The Group submitted its report to the FSDC Sub-Committee in January 2014.

4. Macro Financial and Monitoring Group (MFMG):

- The Macro Financial Monitoring Group was set up in 16th May 2012, which meets regularly in DEA, to discuss any specific emergent issues. This Group is chaired by Chief Economic Adviser and has representation from all the Departments of the Ministry of Finance. It aims at keeping track of the macroeconomic and financial developments, identifying vulnerabilities, and providing early warning signals.
- The Group discusses the Macro Financial Monitors, which is essentially the information collated from various “anchor divisions” on important macroeconomic and financial variables. The FSDC Secretariat presents some highlights of global and domestic developments for the information of members.
- The Group has held 17 meetings so far.