

Crisis Prevention and Monitoring Framework (CPMF)

Pursuant to the decision in the FSDC Sub-Committee, a Crisis Prevention and Management Framework (CPMF) for entire Ministry of Finance has been prepared by the FSDC Secretariat in consultation with all the Departments of MoF. The CPMF has been operationalized w.e.f. 1st October 2012. It encompasses, *inter alia*, collaborating with, and assisting, the Regulatory Authorities and the other stakeholders in identifying and mitigating the emerging threats to financial and macroeconomic stability; and in the event of a crisis, taking all the necessary steps to mitigate its impact on the financial markets as well as the real sector. It highlights the 'prevention' aspect apart from the 'management' facet. The 'Anchor' Divisions have been made responsible to monitor, analyze, generate policy options and take action on evolving vulnerabilities in their respective areas. A Macro Financial Monitoring Group (MFMG), chaired by the Chief Economic Adviser, has been set up which meets regularly. It aims to keeping track of the macroeconomic and financial developments, identifying vulnerabilities, and providing early warning signals. This Group has representation from all Departments of the Ministry of Finance. The Group has held 12 meetings so far.