MEMORANDUM OF UNDERSTANDING

BETWEEN

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA
NEW DELHI

AND

INDIAN INSTITUTE OF BANKING & FINANCE
MUMBAI

16th JUNE 2013
MEMORANDUM OF UNDERSTANDING
BETWEEN
INDIAN INSTITUTE OF BANKING & FINANCE
AND
THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

This Memorandum of Understanding (hereinafter referred to as "MOU") is made and entered into at Mumbai on the 16th day of June, 2013

BETWEEN

INDIAN INSTITUTE OF BANKING & FINANCE (hereinafter referred to as "IIBF" which expression shall, unless the context otherwise requires, include its successors and permitted assigns), a company incorporated and registered under the Indian Companies Act, 1913 having its registered office at "Kohinoor City, Commercial - II, Tower-1, 2nd & 3rd Floor, Kiroli Road, Off L.B.S. Marg, Kurla- West, MUMBAI - 400 070", in the State of Maharashtra, represented by its CEO, Dr. R. Bhaskaran, who is duly authorised to sign and execute this Memorandum of Understanding (MOU) on behalf of IIBF, the party of the First Part.

AND

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, (hereinafter referred to as "ICSI" which expression shall, unless the context otherwise requires, include its successors and permitted assigns), a professional body constituted under the Company Secretaries Act, 1980 (56 of 1980) for the regulation and development of the profession of Company Secretaries, having its Headquarters at "ICSI House", 22 Institutional Area, Lodi Road, New Delhi, represented through its Secretary CS M. S. Sahoo, who is duly authorised to sign and execute this MOU on behalf of ICSI, the party of the Second Part:

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, the Parties hereto agree as follows:

1. SCOPE

Based on the terms and conditions as may be mutually agreed upon between the Parties from time to time, IIBF and ICSI will:

(a) jointly design, develop, deliver and offer a certification course namely 'Banking Compliance Professional' for the students and members of ICSI and CAIIB qualified officers working in banks;

(b) jointly offer structured coaching classes for ICSI members pursuing the Diploma in Banking and Finance (DB &F) course;

(c) jointly develop, offer and hold seminars, workshops, conferences etc., which would be of mutual benefit and interest;

(d) will regularly exchange faculties and other resources in mutual interest;

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(e) extend help and co-operation to each other in developing curriculum of academic and continuing education programmes and developing new certification courses / modules; and

(f) support each other in development of study materials on the relevant subjects in the syllabus.

2. COSTS

Each party agrees to bear the cost involved in developing, delivering the courses concerned unless the cost/revenue sharing is expressly agreed upon between the Parties for each of the activities separately.

3. CONFIDENTIALITY:

It is anticipated that it may be necessary for parties to disclose certain confidential and proprietary information in written, oral, visual and/or physical/sample form, and the Receiving Party may otherwise come into control or possession of certain information, including such information as collectively defined as Confidential Information. The Receiving Party shall maintain the Disclosing Party's confidential information in confidence and shall exercise in relation thereto no lesser security measures and degree of care than which the Receiving Party applies to its own Confidential Information which the Receiving Party warrants providing adequate protection against unauthorised disclosure, copying or use.

For the purpose of this clause, the term 'Confidential Information' shall mean and include any information disclosed by Disclosing Party to the Receiving Party, either directly or indirectly, either orally or in writing, by inspection of tangible objects (including, without limitation, documents, prototypes, samples, media, documentation, discs and code). Confidential Information shall include, without limitation, any client information, business leads, contact information of buyers, trade secrets, intellectual property rights, know-how, formulae, processes, algorithms, ideas, strategies, inventions, data, network configurations, system architecture, designs, flow charts, drawings, hardware, software, media and the contents thereof, proprietary information, business and marketing plans, financial and operational information, information about Students/ Members (either present, past or prospective) of Disclosing Party's information regarded as confidential by such customers of Disclosing Party all non-public information, material or data relating to the current and for future business and operations of the Parties and analysis, compilations, studies, summaries, extracts or other documentation prepared by the Receiving Party based on information disclosed by Disclosing Party and any other information considered as confidential information by the Party(ies). The term Confidential Information shall also include any derivatives made out of any Confidential Information of Party(ies) and also any information gathered by the use or inspection of the Confidential Information of Party(ies).
Confidential Information shall not include information or data which—

i) is in or comes into the public domain or generally available to the public in any way without breach of this MOU by the Receiving Party; or

ii) the Receiving Party can show that such information or data was in its or its Representatives possession or within its knowledge or its Representatives' knowledge by being in its use or being recorded in its files or computers or other recording media prior to receipt from the Disclosing Party and was not previously acquired by the Receiving Party from the Disclosing Party under an obligation of confidence; or

iii) the Receiving Party obtains from a source other than the Disclosing Party without breach by the Receiving Party or to the best knowledge of the Receiving Party, such source or any obligation of confidentiality or non-use towards the Disclosing Party; or

iv) is disclosed by the Receiving Party (a) with the prior written approval of the Disclosing Party, or (b) without such approval, after a period of 3 (three) years from the date of expiry of the validity of MOU.

4. INTELLECTUAL PROPERTY RIGHTS:

a) Neither party during the course of performance of this MOU desire nor intend to transfer any intellectual property rights whatsoever with respect to any information that is proprietary.

b) ICSI or any of its affiliate organisations does not have any rights or intellectual property rights over the Modules of IIBF. Similarly IIBF or any of its affiliate organizations does not have any rights or intellectual rights over the Modules of ICSI.

5. NO LIABILITY OR AUTHORITY:

a) Nothing in this MOU shall give either party any rights to use any trade names or trademarks or any service marks (or the goodwill associated therewith) which are used by the other, save as may be authorised by the latter in writing.

b) No liability of either parties arises in contract or tort (including negligence and breach of statutory duty) or otherwise.

6. REPRESENTATIONS AND WARRANTIES:

The Parties to this MOU represents and warrants that—

a) It is validly formed according to the laws of India.

b) It has full power and authority to enter into this MOU and it has obtained all the sanctions that may be required under the laws applicable to it.
7. ASSIGNMENT:

The proposed arrangement will be non-transferable and cannot be assigned.

8. TERM AND TERMINATION:

a) This MOU shall remain in force for an initial period of three (3) years from the date of signing unless its validity is renewed for a further period mutually agreed by the Parties.

b) This MOU may be terminated at any time by either party with three months notice to the other in writing.

c) Notwithstanding any termination or expiration of this MOU, the rights and obligations under clauses 'Confidentiality', 'Intellectual Property Rights' and 'Representations and Warranties' shall survive and continue and shall bind the parties and their legal representatives, successors and assigns.

9. GOVERNING LAW:

This MOU shall be governed by and construed and interpreted in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the Civil Courts in Mumbai.

10. MERE UNDERSTANDING

This MOU only represents a basis of understanding between IIBF and ICSI towards one or more formal agreement as may be executed by the Parties. It is clarified that this MOU does not constitute an agreement and therefore is not enforceable as an agreement.

11. NO PARTNERSHIP OR AGENCY

Nothing in this MOU shall be deemed to constitute a partnership between the Parties or constitute any Party the agent of any other Party for any purpose or entitle any Party to commit or bind any other Party in any manner or give rise to fiduciary duties by one Party in favour of any other.

12. DISPUTE RESOLUTION:

All disputes, differences or questions arising out of this MOU including the interpretation of the terms herein or in regard to the obligations, failure or breach of any terms thereof by any of the parties under this MOU or of any matter whatsoever arising under this MOU which have not been mutually settled shall be referred to arbitration under the provisions of the Arbitration and Conciliation Act, 1996. The place of arbitration shall be Mumbai. The provisions of this Clause shall survive the termination of this MOU.
Arbitrator/Arbitrators shall be appointed by both the parties after mutual consultation.

13. CONSTRUCTION
The entire understanding between IIBF and ICSI with respect to the subject matter herein is contained in this Memorandum and any other representation made prior to or during the operation of this Memorandum is expressly excluded.

14. EXCLUSIVITY
This Memorandum shall be on an exclusive basis. IIBF and ICSI shall not offer the certification course ‘Banking Compliance Professional’ or any course similar to this to others other than students and members of ICSI and CAIIB qualified officers working in banks, without each other’s consent.

15. HEADINGS
The headings in this Memorandum are inserted for ease of reference only and shall not affect the interpretation of the Memorandum.

16. SEVERABILITY AND FORCE MAJEURE
If any term, provision, covenant or condition of the Agreement is held invalid or unenforceable for any reason, the remaining provisions shall continue in full force and effect as if the Agreement had been executed with the invalid portion eliminated so long as the Agreement continues to express, without material change, the original intentions of the parties.

Except for the obligation to pay money properly due and owing as under the provisions of this Agreement, neither party shall be liable for any delay or failure in performance due to causes beyond its reasonable control, including without limitation acts of God, earthquake, labor disputes, riots, war, fire, epidemics, or transportation difficulties. The obligations and rights of the excused party shall be extended on a day-to-day basis for the time period equal to the period of the excusable delay.

17. NOTICES:
All notices are to be served in the manner permissible under the law at the addresses recorded first herein above either by e-mail, fax etc.

18. AUTHORITY:
Both the parties have the power and authority to enter into and perform its obligations under this agreement.

[Signature]

M. S. S
19. AUTHORISATIONS:

Both the parties have taken all necessary actions to authorise the execution, delivery and performance of this agreement.

20. ALTERATION:

Any alteration, modification or addition to this MOU or waiver of any of the terms hereof shall be valid if made by mutual consent of both the parties.

21. TEXT

This Memorandum is written in English with two copies - one for each party. Both copies have the same effect.

IN WITNESS WHEREOF both the Parties through their duly authorised representatives signed this MOU on the day, date, month and year first hereinabove mentioned.

For and on behalf of -
Indian Institute of Banking & Finance (IIBF)

Dr. H. Bhaskaran
Chief Executive Officer

For and on behalf of -
The Institute of Company Secretaries of India

M. S. Sahoo
CS M. S. Sahoo
Secretary

Witness:

Witness:
CERTIFICATE COURSE IN

RISKS, REGULATIONS & COMPLIANCE IN BANKS
(Banking Compliance Professional)

INDIAN INSTITUTE OF BANKING AND FINANCE &
THE INSTITUTE OF COMPANY SECRETARIES OF INDIA
About the Certificate Course

Objective
To create cadre of compliance professionals in banks

Scope
This Certificate Course seeks to enable the company secretaries:
- to perform the dual role of Company Secretary (Risk Manager) as well as that of the Compliance / Chief Compliance
- to ensure observance of applicable statutory provisions contained in various legislations such as Banking Regulation Act, Reserve Bank of India Act, Foreign Exchange Management Act, Money Laundering Act etc. and also other regulatory guidelines issued from time to time; standards and codes prescribed by BCSBI, IBA, FEDAI, FIMMDA etc. and bank’s internal policies and fair practices code
- to acquaint themselves with the tools of managing risks
- to understand compliance function with special reference to areas of risks
- to be conversant about the procedures of compliance functions in a bank so that they are able to set priorities for the management of the compliance risks in the bank to suit its requirements.
- to identify the level of compliance risk in each business line, products and processes and formulate proposals for managing such risk.

Coverage
The Certificate Course would broadly cover:
I. Risk Management in banking and financial institutions covering inter-alia Credit Risk Management, Operations Risk Management, Market Risk and organization of risk functions in Banks
II. Legal and Regulatory aspects of Risk, Governance and Compliance
III. Compliance function - Roles and Responsibilities

Modalities
A. Eligibility
1. Members of ICSI
OR
2. CA/IB qualified officers working in banks.
B. Fees
Fees will be charged separately for examination and class room teaching. Fees are to be fixed by IIBF in consultation with ICSI.

C. Methodology
The Certificate Course would comprise of two stages namely:
- Examination
- Class room Teaching
Candidates who pass the examination alone are eligible to attend the training.

D. Mode
The course will be conducted through distance learning process. IIBF will arrange contact classes subject to availability of sufficient candidates in centres across the country for a fee.

E. Study Material
The study materials for the Certificate Course would be developed and published by IIBF, which may be procured by the candidate from the market.

F. Examination
The examination of the certificate course would be conducted by IIBF online. Examinations will be held by IIBF twice in a year.

G. Class room Teaching
Class room Teaching would be conducted at IIBF and/or ICSI. The teaching course contents would be developed and delivered by IIBF and/or ICSI. The duration of the class room teaching will be 5 days and the batch size would be maximum 40 candidates.

H. Certification
Passing in the examination and completion of class room teaching is essential for the award of Certificate. The Certificate to candidates on successful completion of the course shall be issued jointly by IIBF and ICSI.

Proposed Procedure

1. Eligible candidates join the course by paying the fees which includes examination fees for two attempts.
   Admission for the course would be online. Application Forms can be downloaded from the IIBF's website i.e. www.iibf.org.in.
2. Candidates study the Study Material procured by them from the market.
3. Study time.
   There has to be a minimum gap of 3 months (study time) after registration. This means that a candidate cannot appear for the Examination unless 3 months have elapsed from the date he/she has joined.
   Note:
   - The Study Material is expected to be ready by the end of June 2013.
   - On the Study Material being ready, 1st exam may be conducted by December 2013.

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4. Candidates appear for the Online Exam - objective type - 120 Questions for 100 marks. There will be two papers - a) Risk Regulation & Governance and b) Compliance. Passing marks would be minimum 60 marks in each paper.

In case a candidate is not able to pass the exam within 1st block of 2 attempts, he/she can appear for a further period of 1 year (2nd block) i.e. 2 attempts on payment of requisite fee. Candidates not able to pass the exam within the stipulated time period of two years (four attempts) are required to register de-novo by submitting fresh online application form. Such candidates will not be granted credit/s for subject/s passed, if any, earlier. Attempts will be counted from the date of application irrespective of whether a candidate appears at any examination or otherwise.

Note: If the first batch of examination is to be conducted in December 2013, the applications for the said examination should be collected by the end of September 2013 to enable IIBF to set the question papers.

5. After passing the examination, candidate log on to IIBF website and select his/her convenient slots for class room teaching (5 days) from the pre-determined dates and venue (IIBF or ICSI-CCGRT) put-up on the website by paying the fees for class room teaching to the respective organisation where he seeks to undergo class room teaching.

6. Candidates undergo class room teaching in IIBF and/or ICSI-CCGRT, as per the slot selected (i.e. IIBF or ICSI-CCGRT as the case may be). Note: Initially, 4 batches of class room teaching may be targeted in a year.

7. Candidates, who complete the class room teaching, will be eligible for the Course Completion Certificate.

8. The names of the certified candidates will be hosted on IIBF Portal and also forwarded to all Commercial Banks for considering them for selection/appointment as Compliance Officers. This is not a placement exercise and there is no guarantee to be given of a job or their selection.