



Post Membership Diploma in Banking Law and Practice

Vision

“ To be a global leader in promoting good corporate governance ”

Mission

“ To develop high calibre professionals facilitating good corporate governance ”



For further details, please visit: www.icsi.edu or contact:
Director (Academics)



**THE INSTITUTE OF
Company Secretaries of India**

IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

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Introduction

Post Membership Diploma in Banking Law and Practice is a Post Membership Qualification (PMQ) Course which aims at building capacity of company secretaries in the area of banking law operations. Banking in India is changing fast to keep pace with the changes around the globe, and has attained the standards of international banking norms. Knowledge of banking laws is of great significance for Professionals like Company Secretaries to ensure compliance with number of regulatory frameworks and legal implications related to banking laws.

Objectives and Scope

The objectives of Post Membership Diploma in Banking Law and Practice are that the members who complete the Course should be able to:

- Understand the basic concepts of banking law and practice
- Gain acumen and thorough knowledge of the legal and regulatory aspects of Banking
- Appreciate various other concepts of banking and financial services like balance sheet management, credit management, treasury management, banking technology and customer relations.
- Apply knowledge of banking laws for better decision making through risk management and good governance.

Eligibility Criteria

The members of the Institute shall be eligible for the admission to the course.

Course Structure

In order to provide in-depth theoretical and practical knowledge to the candidates, PMQ Course in Banking Law and Practice shall comprise of the following two parts namely:

- Part I: One Paper for which written examination will be conducted
- Part II: Workshop cum interview

Part I: The candidates for Part I shall be examined in one paper for which an open book written examination of three hours will be conducted. The examination will be based on application of knowledge and theoretical concepts wherein the candidates will be allowed to use reference books and other reading material.

PART II: A candidate after qualifying Part I of the course shall participate in a workshop cum interview organised by the Institute.

Preparation for the Course:

Post Membership Diploma in Banking Law and Practice is a specialized course and the candidates pursuing this course will be required to have thorough knowledge under each topic of the course curriculum. For this purpose, the candidates will be provided with an illustrative list of readings.

Examination

For Part-I, a written examination will be conducted at such intervals, in such manner and at such time and place as the Council may decide subject to availability of such minimum number of candidates enrolled for the examination as may be decided from time to time. The dates and places of the examination shall be published in the Institute's Journal "Chartered Secretary".

Fee Structure

(i) Rs. 25,000 for the entire course payable as under:

Rs. 12,500/- payable at the time of registration for the course

Rs. 12,500/- payable at the time of workshop cum interview

(ii) Examination Fee of Rs. 1500

(iii) Change of Examination Centre fee - Rs. 100

(iv) Verification of marks fee - Rs. 250 per paper

Registration

- Registration for the course will be valid for a period of five years during which period the candidate will be required to complete both the parts.
- Registration shall be open throughout the year.
- A candidate should however, register at least six calendar months prior to the month in which the examination commences.

Certification

The candidates successfully completing the Course shall be awarded a Diploma Certificate to that effect in the appropriate form by the Institute and shall be entitled to use the descriptive letters and bracket "DBLP (ICSI)" to indicate that he has been awarded "Post Membership Diploma in Banking Law and Practice" by the Institute of Company Secretaries of India.

Syllabus for Post Membership Diploma in Banking Law and Practice

1. Overview of Banking System

- Indian Financial System: RBI, SEBI, IRDA etc. their major functions; Role and Functions of Banks; Retail Banking; Wholesale Banking; Role and Functions of Capital Markets; Role and Functions of Mutual Funds; Role and Functions of Insurance Companies – Bancassurance
- Functions of banks: Deposits, Credit, Agriculture

2. Legal and Regulatory aspects of Banking

- Regulations and compliances Provisions of RBI Act 1935, Banking Regulation Act 1949, Banking Companies
- Government and RBI's powers
- Legal Aspects of Banking Operations: Responsibility of paying / collecting banker Indemnities / guarantees - scope and application - obligations of a banker - precautions and rights-laws relating to bill finance, LC and Deferred Payments - Laws relating to securities - valuation of securities - modes of charging securities - lien, pledge, mortgage, hypothecation etc - registration of firms / companies - creation of charge and satisfaction of charge.
- Other Banking Related Laws like Law of limitation, Provisions of Bankers Book Evidence Act, Special features of Recovery of Debts Due to Banks and Financial Institutions Act, 1993, The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, The Consumer

Protection Act, 1986, Banking Ombudsman, Lok Adalats, Lender's Liability Act

- Commercial laws related to banking like Indian Contract Act, 1872; The Sale of Goods Act, 1930; The Companies Act; Indian Partnership Act; The Transfer of property Act; Foreign Exchange Management Act 2000; FCRA; Prevention of Money Laundering Act; Right to Information Act; Information Technology Act.
- Basel Norms
- Compliances under various laws in banking

3. Balance Sheet Management

- Prudential norms-Capital Adequacy
- Implementation of Basel-II guidelines and RBI guidelines.
- Banks Balance Sheet - Components of assets / Liabilities / ALM Implementation - RBI Guidelines
- Gap Analysis - Mechanics, Assumptions, and Limitations
- The Relationship Between Gap and Income Statement- Funding Liquidity - Trading / Managing Liquidity - Contingency Funding - Business Strategies
- Profit and profitability analysis,
- Asset Classification - provisioning - effect of NPA on profitability
- Shareholder value maximization & EVA

4. Credit Management

- Principles of Credit Management
- Credit Appraisal Analyzing Financial Performance
- Relationship between items in Balance Sheet and Profit and Loss Account.
- Trend Analysis, Comparative Statement - Common size Statement, Preparation of projected Financial Statements. - Ratio analysis - Interpretation and analysis of different Ratios, Limitation of the use of ratios. Statement of Sources and Applications of Funds.
- Structuring a Credit Proposal - Working Capital Concept and Management Appraisal techniques for different constituents - trade cycle - credit rating - Technical and economic feasibility studies
- Credit Rating - Rating Methodology - Objectives and benefits of rating - Term Lending - Debt Service Coverage Ratio - Cash Flow Analysis - Cash Budget - Bill Finance - Deferred Payment Guarantee - Credit Scoring
- Credit Delivery System - Documentation - Post sanction supervision, Control and monitoring of credit - Consortium finance, Multiple banking, Syndication of loans.

5. Risk management in banks

- Concept of risk
- Risk in Banks
- Risk Management Framework

- Credit risk management
- Operational and integrated Risk Management
- Reporting of banking risk

6. International Banking Management

- International Banking an overview
- Forex Business; factors determining exchange rates, Direct and indirect quotations, spot / forward rates, premium and discount, cross rates.
- Basics of forex derivatives; forward exchange rate contracts, Options, Swaps. Correspondent banking
- NRI accounts
- Documentary letters of Credit - UCPDC 600, various facilities to exporters and importers.
- Risks in foreign trade, role of ECGC, types of insurance and guarantee covers or ECGC.
- FEMA and its rules

7. Treasury Management

- Concepts and function;
- Instruments in the treasury market, development of new financial products, control and supervision of treasury management, linkage of domestic operations with foreign operations.
- Interest rate risk, interest rate futures
- Treasury bills, money market instruments such as CDs, CPs, IBPs
- Securitisation and Forfaiting; refinance and rediscounting facilities.
- Derivatives - Credit Default Swaps / Options

8. Electronic Banking and IT in Banks

- Electronic Banking - Core Banking - Electronic Products
- Banking Technology - Distribution Channels - Teller Machines at the Bank Counters – Cash Dispensers - ATMs - Anywhere Anytime Banking - Home Banking (Corporate and Personal)
- Electronic Payment Systems - Electronic funds transfer systems - plain messages (Telex or data communication) - structured messages (SWIFT, etc...) - RTGS
- Information Technology - Current Trends - Banknet, RBI net, Datanet, Nicnet, I-net, Internet, E-mail, etc...- Role and uses of technology up gradation
- Global developments in Banking Technology - Information Technology in finance and service delivery Impact of Technology on Banks
- Protecting the confidentiality and secrecy of data - effect on customers and service quality - Computer Audit - Information System Audit.
- Information System Security and Disaster Management.

9. Ethics and Corporate Governance in Banks

10. Case studies and Case Laws

APPLICATION FORM
APPLICATION FOR ADMISSION TO
POST MEMBERSHIP DIPLOMA
IN BANKING LAW AND PRACTICE

To
The Secretary
The Institute of Company Secretaries of India
ICSI House
22, Institutional Area, Lodi Road
New Delhi – 110003

Sir,

I hereby apply for admission to the Post Membership Diploma in Banking Law and Practice. The required particulars are furnished below :

1. Name in full
(in block letters) : _____
(Surname) (name)
2. Father's/Husband's Name: _____
3. Membership No.
(i) ACS/FCS
(ii) CP (if Company Secretary in Practice) _____
4. Date of Birth : _____
5. Nationality : _____
6. Educational/Professional
Qualifications _____
7. Address : (i) Professional Designation: _____
(ii) Residential _____
(iii) For Correspondence _____

8. (a) Tel No. : Off. _____ Res _____
(b) Fax No. _____
(c) Telex No. _____
(d) Mobile _____ E-mail ID _____
9. Gross Monthly Income Rs. _____
10. A crossed Bank Draft drawn in favour of the 'Institute of Company Secretaries of India', payable at New Delhi bearing (printed) No. _____ dated _____ for Rs. _____ drawn on _____ Enclosed towards the registration fees.
11. Self-attested copies of the following certificates are enclosed :

12. I hereby declare that the particulars furnished above are true to the best of my knowledge and belief, and if at any time it is proved that the said particulars were untrue, I agree to my registration for the Post Membership Diploma in Banking Law and Practice Course being cancelled without any obligation on the part of the Institute to refund any fee paid by me to the Institute and without prejudice to the rights of the Institute to take any further action deemed fit and appropriate.

I undertake that I shall, as a registered candidate conduct myself in a manner befitting the ideals and standards of profession of company secretaries generally and as specified by the Council from time to time and shall abide such regulations, bye-laws, rules, standing orders, directions, conditions or guidelines as may be laid down by the Council and made applicable to me from time to time. I further undertake not to pass on, sell or gift away any materials provided to me by the Institute.

Place : _____

Date : _____

Signature

- I. Applicants are requested to send self-attested copies of certificates of their date of birth, professional examination's, ACS/FCS and four passport size photographs (not to be attested)