

Info Capsule

GUIDELINES ON MERCHANT ACQUISITION FOR CARD TRANSACTIONS¹

Co-operative banks have been permitted to install both onsite/offsite ATM networks and can issue debit cards on their own or through sponsor banks based on certain eligibility conditions. Also, all co-operative banks have been allowed to enter into credit card business on their own or co-branding arrangement with other banks, subject to fulfilment of the guidelines prescribed in this regard. Keeping in view the need for encouraging digital channels for financial transactions in co-operative banks, it has been decided as under:

1. All co-operative banks not intending to act as Point of Sale (POS) acquiring bank are permitted to deploy third party POS terminals without prior approval of Reserve Bank of India (RBI) subject to the bank fulfilling the following criteria:
 - a. The co-operative bank should be licensed by RBI and CBS compliant;
 - b. The bank's CRAR should not be less than 9% in the preceding financial year;
 - c. The bank should have made a net profit in the preceding financial year;
 - d. The bank's board should consist of at least two professional directors;
 - e. A customer grievance redressal mechanism duly approved by the bank's board should be in place;
 - f. The bank should have a board approved policy on merchant acquisition for card transactions;
 - g. There should not be any restrictions imposed on the bank for accepting deposits/withdrawals by Reserve Bank of India.
 - h. The bank should obtain consent of their merchant customers before offering third party POS terminals and disclose the process of settlement.
 - i. The bank should report to respective Regional Offices of RBI within a month with necessary documents after the operationalization of third party POS terminals.
2. All co-operative banks intending to act as POS acquiring bank are permitted to deploy their own POS terminals with prior approval of RBI subject to the bank fulfilling the following criteria:
 - a. The co-operative bank should comply with criteria mentioned above at 1(a) to (g) of Para 1. The bank's IT systems & CBS should have been subjected to an IS Audit not earlier than six months from the date of application to confirm that the system is adequately secure.

¹ Available at: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10950&Mode=0>

- b. Assessed net-worth should be more than ₹ 25 crore as per the last RBI inspection;
 - c. Gross NPAs should be less than 7% and net NPAs should be less than 3% in the preceding financial year;
 - d. No monetary penalty should have been imposed in last two financial years and during the year of submitting the application;
 - e. There should not be any default in the maintenance of CRR/SLR during the preceding financial year;
 - f. The bank should be a member of authorized card network, such as RuPay, Visa, MasterCard etc.
3. The banks shall comply with instructions and guidelines on Merchant Acquisition for card transactions and POS issued by Department of Payment and Settlement Systems, RBI from time to time.
 4. The co-operative banks desirous to deploy their own POS terminals and act as POS acquiring bank may approach the respective Regional Offices of RBI for necessary permission in this regard, with requisite information/documents.

ONLINE REGISTRATION MECHANISM FOR SECURITIES MARKET INTERMEDIARIES²

In order to improve ease of doing business, SEBI has launched the ***SEBI Intermediary Portal for the intermediaries*** to submit online registration applications.

The SEBI Intermediary Portal will provide all the online facilities such as application for registration, processing of application, grant of final registration, application for surrender/cancellation, submission of periodical reports, requests for change of name/address/ other details, etc. The Link for SEBI Intermediary Portal is also available on SEBI website - www.sebi.gov.in.

From now onwards, all applications for registration/ surrender/other requests shall be made through SEBI Intermediary Portal only. The applications in respect of stock brokers/ sub-broker and depository participants shall continue to be made through the stock exchanges and depositories respectively. The applicants shall separately require to submit relevant documents viz. declarations/ undertakings required as a part of application forms prescribed in relevant regulations, in physical form, only for records without impacting the online processing of applications for registration.

Where applications are made through the stock exchanges / depositories, the hard copy of the applications made by their members shall be preserved by them and shall be made available to SEBI, as and when called for.

² Available at: http://www.sebi.gov.in/legal/circulars/may-2017/online-registration-mechanism-for-securities-market-intermediaries_34793.html

Ministry of Skill Development invites comments/ suggestions of the public on the Sharada Prasad Committee constituted to Review, Rationalize and Optimize the Functioning of Sector Skill Councils³

The Ministry of Skill Development has invited comments/ suggestions of the public on the Sharada Prasad Committee constituted to Review, Rationalize and Optimize the Functioning of Sector Skill Councils by 10th of this month. The report has already been submitted to the ministry recently. The same has also been put up in public domain on 25th April, 2017 for engaging the stake holders for Rationalization & Optimization of the Functioning of the Sector Skill Council. The Report is available at <http://msde.gov.in/report-ssc.html>.

The Report is in three volumes. Volume I is the main report which deals with the major challenges facing the vocational education and training system of the country and convergence, synergy and rationalisation of Sector Skill Councils. Volume 2 contains appendices arranged chapter-wise. Volume 3 Maps of National Classification of Occupations, 2015 with National Industrial Classification, 2008.

The Ministry is now in the process of examining the Report and the recommendations made therein.

Sector Skill Councils (SSCs) are industry led and industry governed bodies which have been mandated to ensure that skill development efforts being made by all the stake holders are in accordance with the actual needs of the industry and develop National Occupational Standards/Competency Standards and Qualification Packs (QPs). Presently, the National Skill Development Corporation (NSDC) has approved formation of 40 SSCs in different Sectors. In order to ensure convergence and optimal functioning of SSCs as per mandate given under the National Policy for Skill Development and Entrepreneurship 2015, it was decided to constitute a Committee to review the functioning of the SSCs and provide a roadmap for their harmonious growth so as to ensure effective development of the skilling ecosystem.

The committee was constituted by the Ministry of Skill Development and Entrepreneurship on 18th May 2016 for Rationalisation and Optimization of the Functioning of the Sector Skill Councils, under the Chairmanship of Sh. Sharada Prasad, Former Director General, Directorate General of Employment & Training, Ministry of Labour & Employment, Government of India.

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³ Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>