Union Minister for Finance and Corporate Affairs chairs 29th meeting of Financial Stability and Development Council (FSDC), in Mumbai, today

Union Finance Minister urges regulators and departments to expedite the process of refund to rightful owners of unclaimed amounts by holding coordinated multi-agency special district level camps

Interest of common citizens to be kept in mind and refund the claims of rightful claimants: FM Smt. Nirmala Sitharaman

Union Finance Minister exhorts FSDC to further take proactive steps for seamless KYC processes across the financial sector to enhance user experience

FSDC, inter-alia, discussed enhancing responsiveness of regulations, reduction of unclaimed assets and expediting refunds, simplification and digitalisation of the KYC process, increasing investment ratio, further reforms in factoring services and bettering account aggregator networks

FSDC to further strengthen inter-regulatory

coordination for wider development of financial sector in India

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Union Minister for Finance and Corporate Affairs chaired the 29th meeting of the Financial Stability and Development Council (FSDC), in Mumbai, today. Union Minister of State for Finance Shri Pankaj Choudhary was also present along with FSDC members.

The FSDC, inter alia, deliberated on issues related to macro financial stability and India's preparedness to deal with them. In light of the analysis of cybersecurity regulations, sectoral preparedness, and the recommendations of Financial Sector Assessment Programme (FSAP) 2024-25, the FSDC considered strengthening the cyber resilience framework of the Indian financial sector through a financial sector-specific cybersecurity strategy.

The FSDC discussed issues relating to formulating a strategy for implementing the past decisions and the budget announcements, which included:

- establishing appropriate framework by regulators for evaluating and enhancing responsiveness of regulations and subsidiary instructions;
- to take necessary steps to reduce the unclaimed assets in the financial sector (banks deposits, dividends, shares, post office accounts, insurance and pension funds etc.) and

the expeditious and seamless refund of such assets to rightful owners;

- prescribing common KYC norms, simplification and digitalisation of the KYC process including digital onboarding for Non-Resident Indians (NRIs) including PIOs and OCIs, in the Indian securities market;
- analysing trends in financing flows as part of strategy to increase the investment ratio
- taking measures to improve the reach and scope of factoring services and effective use of account aggregator networks.

The FSDC deliberated on the emerging trends from domestic and global macro-financial situation and stressed upon the need to be vigilant. The Council recognised the need for proactive efforts to mitigate potential risks to financial stability while adopting adequate safeguards for financial system's resilience. The members decided to strengthen the inter-regulatory coordination for wider development of the financial sector.

The Union Finance Minister exhorted the Council to take proactive steps to ensure that citizens should have a seamless experience w.r.t KYC processes across the financial sector.

The Union Finance Minister urged the regulators and departments to expedite the process of refund to rightful owners of unclaimed amounts by holding special district level camps. This drive is to be conducted in coordination with RBI, SEBI, MCA, PFRDA and IRDA along with banks, pension agencies, insurance companies etc. The unclaimed amounts comprise of deposits in banks; unclaimed shares and dividends are managed by IEPFA; and unclaimed insurance and pension funds are with IRDAI and PFRDA respectively.

Smt. Sitharaman also emphasised that interest of common citizens to be kept in mind and therefore expeditiously refund the claims of the rightful claimants.

The FSDC also took note of the activities undertaken by the FSDC Sub-Committee chaired by the Governor, RBI, and the action taken by members on the pending past decisions of the FSDC.

The 29th meeting of the FSDC was also attended by Shri Sanjay Malhotra, Governor, Reserve Bank of India (RBI); Shri Ajay Seth, Finance Secretary and Secretary, Department of Economic Affairs, Ministry of Finance; Shri Nagaraju Maddirala, Secretary, Department of Financial Services, Ministry of Finance; Ms. Deepti Gaur Mukerjee, Secretary, Ministry of Corporate Affairs; Shri Arvind Shrivastava, Secretary, Department of Revenue, Ministry of Finance; Ms. Anuradha Thakur, Officer on Special Duty and Secretary designate, Department of Economic Affairs, Ministry of Finance; Dr. V. Anantha Nageswaran, Chief Economic Adviser, Ministry of Finance; Shri Tuhin Kanta Pandey, Chairperson, Securities and Exchange Board of India, Shri K. Rajaraman, Chairperson, International Financial Services Centres Authority; Shri Parmod Kumar Arora, Member (Actuary), Insurance Regulatory and Development Authority of India; Ms. Mamta Shankar, Whole Time Member (Economics), Pension Fund Regulatory and Development Authority; Dr. Bhushan Kumar Sinha, Whole Time Member, Insolvency and Bankruptcy Board of India; Dr. Sanjay Bahl, Director General, Indian Computer Emergency Response Team (CERT-In); and Shri Chanchal Sarkar, Secretary of the FSDC, Department of Economic Affairs, Ministry of Finance.

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