

**Report of the Committee to study the
Financial Data
Management Legal Framework in India**

Department of Economic Affairs
Ministry of Finance

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List of Abbreviations

DCN	- Draft Cabinet Note
DEA	- Department of Economic Affairs
FATF	- Financial Action Task Force
FDMC	- Financial Data Management Centre
FM	- Finance Minister
FSAP	- Financial Sector Assessment Programme
FSB	- Financial Stability Board
FSDC	- Financial Stability and Development Council
FSLRC	- Financial Sector Legislative Reforms Commission
FSP	- Financial Service Provider
IFC	- Indian Financial Code
IMF	- International Monetary Fund
IMG	- Inter-Ministerial Group
IRDAI	- Insurance Regulatory and Development Authority of India
MoF	- Ministry of Finance
MoU	- Memorandum of Understanding
NHB	- National Housing Bank
NIPFP	- National Institute of Public Finance and Policy
PFRDA	- Pension Fund Regulatory and Development Authority
PMO	- Prime Minister Office
RBI	- Reserve Bank of India
RTI	- Right to Information
SEBI	- Securities and Exchange Board of India

1. Introduction

- 1.1 The Financial Sector Legislative Reforms Commission (FSLRC) has, inter-alia, recommended the creation of a statutory Financial Data Management Centre (FDMC), referred to as “Centre” or “FDMC” in the report, a repository of all financial regulatory data, which would “serve to assist the Financial Stability and Development Council (FSDC) in conducting research on systemic risk and system-wide trends, and facilitate a discussion about policy alternatives between the members of the FSDC”. At a meeting of the FSDC held on October 24, 2013, it was decided that action should be taken for finalising the road map for creation of the FDMC as envisaged in the draft Indian Financial Code. In this context, a Task Force on FDMC was established vide D/o Economic Affairs Office Order dated September 30, 2014. The Task Force recommended inter alia for setting up of a non-statutory FDMC through executive order, capitalize it and recruit its management.
- 1.2 In the 13th meeting of the FSDC, held on November 5, 2015, the Council agreed that FDMC be set up and presently data be collected through the regulators to facilitate research and analysis by the proposed FDMC to support FSDC in its decision making. In the Budget Speech 2016-17 {Para 90(iii)}, Hon’ble FM has announced setting up of FDMC under the aegis of the FSDC to facilitate integrated data aggregation and analysis in the financial sector. A Draft Cabinet Note (DCN) on establishing a non-statutory FDMC was prepared and circulated among all stakeholders on which comments were received from all Financial Sector Regulators, D/o Legal Affairs, PMO and Cabinet Secretariat. In its comments, Reserve Bank of India (RBI) has stated that “in the absence of any statutory or other legal basis which empowers FDMC to compel furnishing of confidential information to it, disclosure of any such information by Reserve Bank may not be justified as it may not fall within the recognized exception of compulsion of law. Reserve Bank collects data from its regulated entities in exercise of its statutory powers”. As per the statutory provisions governing RBI,

only consolidated information can be passed on to FSDC, since sharing of data pertaining to individual entity specific information will attract the confidentiality clause, prohibiting RBI to provide such information. D/o Legal Affairs also mentioned that “majority of the financial sector regulators being statutory in nature, it is not clear from the proposal how the non-statutory FDMC will collect data from such regulators. Hence the exact scheme and mechanism for collection of data by non-statutory authority from a statutory regulator need to be emphasized in the Cabinet Note”.

1.3 In the above context, the issue was re-examined in D/o Economic Affairs and with the approval of Hon’ble FM, it was decided to establish a Statutory FDMC. A Committee chaired by AS (Inv.) has been set up to study the Financial Data Management Legal Framework in India, as also the recommendations of the Task Force on FDMC and to submit a report along with a draft bill for setting up a statutory FDMC, within a period of three months i.e.; by 25th August 2016 (Annex-I) which was further extended by two months (Annex-II). The Committee has the following members:

- (a) Shri Ajay Taygi, Additional Secretary (Investment), Department of Economic Affairs, Ministry of Finance, GOI - Chairperson.
- (b) Dr. C.S. Mohapatra, Advisor (FS), Department of Economic Affairs, Ministry of Finance, GOI - Member.
- (c) Shri Sudhir Shyam, Director, Department of Financial Services, Ministry of Finance, GOI – Member.
- (d) Shri M. Khandelwal, Additional Legal Advisor, Department of Legal Affairs, Ministry of Law and Justice, GOI – Member.
- (e) Shri R. Gurumurthy, Chief General Manager, Reserve Bank of India – Member.
- (f) Ms. Babitha Rayudu, Chief General Manager, Securities and Exchange Board of India – Member.
- (g) Shri H. Ananthakrishnan, Joint Director, Insurance Regulatory Development Authority of India – Member.

(h) Shri Rahul Ravindran, Deputy General Manager, Pension Fund Regulatory and Development Authority – Member.

1.4 As per the mandate, the Committee in its meetings held on 30.06.2016, 29.07.2016, 31.08.2016 and 23.09.2016 studied the Financial Data Management Legal Framework in India, looked into recommendations of the Task Force on FDMC as also involvement of State Level regulatory agencies and collection of data from these agencies. Consequently the Committee finalised a draft bill titled Financial Data Management Centre Bill, 2016 as Appendix – I. Assistance for the Committee was provided by NIPFP under NIPFP-DEA research programme.

2. Statutory FDMC-The rationale

2.1 **FSLRC:** As stated in para 1.1 of this report, FSLRC report recommended for a statutory FDMC. It states that the field of financial regulations has traditionally focused on consumer protection, micro-prudential regulation and resolution. However, the 2008 financial crisis highlighted systemic risk as another important dimension of financial regulatory governance. Therefore, FSLRC recommended creation of a separate statutory agency, which will have a holistic view of the entire financial system. Keeping in line with the recommendations, Indian Financial Code¹ provides for creation of FSDC.

(a) As per FSLRC report, key objective of the FSDC is to strengthen the stability of financial system by identifying, monitoring and mitigating systemic risks. The systemic risk regulation is a five element process, of which the first four will be performed by the FSDC and the fifth element will involve assisting the Ministry of Finance (MOF) with crisis management. The five elements of the process are:

i. Data, research and analysis.

¹Government of India, *Indian Financial Code*, Section 20.

- ii. Identification and designation of systemically important Financial institutions, including conglomerates.
 - iii. Formulation and implementation of system wide measures for mitigation of systemic risk.
 - iv. Inter-regulatory agency coordination.
 - v. Crisis management
- (b) The first element of the systemic risk regulation is data collection and research function. It involves constructing a measurement system through which the FSDC can study the entire financial system. The analysis of system wide data collected by the FSDC on an ongoing basis will generate areas for discussion. The decisions of the FSDC will then be implemented by the respective agencies where areas of systemic risk concern have been identified.
- (c) FSDC will operate a data centre called FDMC. The FDMC will work within the FSDC as the sole centralised electronic system for collection of data from the financial service providers. FDMC thus will be in a position to present system wide data for further analysis by the FSDC.

2.2 Task Force on FDMC: With the objective of supporting the M/o Finance in preparatory work for the FDMC, the Task Force on FDMC was constituted on 30th September 2014. The Task Force on FDMC has held number of discussions and defined the vision for FDMC as envisaged in the IFC. The Terms of Reference of Task Force is at Annex-III. In order to achieve the targets as laid down in the 'Terms of Reference' for the Task Force on FDMC, the broad implementation plan as suggested by the Task Force is at Annex-IV. Task Force on FDMC which submitted its status Report in June 9, 2015 mentioned for "a non-statutory FDMC, at the earliest through executive order, capitalize it, and recruit its management." Accordingly as stated in para 1.2 of this report, a Draft DCN on establishment of non-statutory FDMC was circulated among all stakeholders on which the comments received from RBI and D/o Legal Affairs as mentioned in para 1.2 of this report necessitates

the need for a statutory FDMC.

- 2.3 Financial Sector Assessment Program:** In 2011-12 the International Monetary Fund (IMF), as part of the Financial Sector Assessment Program (FSAP), identified the need for strengthened coordination and information sharing mechanism to fill up the regulatory gaps, identify emerging risks and facilitate crisis response. It inter-alia suggested that risks need to be monitored, identified and addressed with a system-wide and not a sector-wise perspective. Hence, there is a need for an agency to foster the stability and resilience of the financial system by identifying, monitoring and mitigating systemic risk; and improve coordination between multiple regulatory agencies (such as the micro-prudential regulators, the resolution corporation and other agencies within the financial system) by bringing diverse perspectives into the discussion, engaging with the regulatory stakeholders, identifying and reducing regulatory uncertainty (including regulatory arbitrage), and addressing unregulated areas. When a systemic crisis materialises, the agency must assist the Ministry of Finance and regulatory agencies in their efforts relating to resolving the crisis.
- 2.4 FSB Peer Review Report:** The first ever FSB Peer Review of India 2016 highlighting the importance of integrating systemic risk analysis and decision making, recommended that the authorities should further flesh out the macroprudential policy framework by explicitly setting out the individual and collective roles and responsibilities of the relevant bodies and by more closely integrating systemic risk analysis and decision making. The report also mentioned.....“Going forward, it would be useful for the RBI’s systemic risk analysis to become more policy-oriented so that it can support decision-making for macro-prudential purposes. This would involve producing a regular integrated assessment of risks backed by ‘chart packs’ for policy meetings, with risk heat maps and tables that map financial stability objectives into a set of key

indicators. This standardized set of indicators could also be used by the FSDC and its Sub-Committee to discuss systemic risks and policy responses.”

2.5 As decided by FSDC, FDMC’s main function will be to assist FSDC in its decision making through integrated data support. Besides, this integrated Centre will bring in many other advantages as it is expected to:

- (a) be the single, unified source for filing and storage of all financial regulatory data that is collected, used and managed by financial sector regulators today, or in the future. Any regulatory filings required by financial regulators will be made to them via the FDMC. The FDMC will provide access to financial regulators to all data that they require or request, pertaining to their jurisdiction.
- (b) develop the standards of data collection and data standardization through a consultative process with the Central Government, FSDC and the financial sector regulators.
- (c) develop the techniques for data validation and clean up before the data is made available to financial sector regulators and the Central Government.
- (d) ensure that its actions lead to greater efficiency in accessing financial regulatory data.
- (e) ensure that its actions lead to reduction in costs of submitting the financial regulatory data, compared to the existing costs to financial firms
- (f) commence the process of collecting and standardizing all the existing financial regulatory information from financial sector regulators and have advanced data management capabilities with electronic data submission, generate a full view of entire financial system, and sharply reduce costs of compliance for financial firms submitting regulatory/ supervisory data to financial agencies.

3. Establishment of the Financial Data Management Centre (FDMC)

3.1 Taking into consideration the foregoing, the Committee worked out for an Act to provide for the establishment of a

Data Centre for managing the repository of financial regulatory data, to enable standardization of Data across the financial sector and providing analytical support to the Financial Stability and Development Council on issues related to financial stability of the economy and matters connected therewith.

- 3.2 The FDMC shall be a body corporate having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, meet its objectives under draft law. The head office of the Centre shall be at such place as the Central Government may decide. The Centre may establish offices at other places in India with prior approval of the Central Government. The general superintendence, direction and management of the functions of the Centre shall vest in the Centre which may exercise all powers and do all acts and things which may be exercised or done by the Centre.

Objectives and Key Functions

- 3.3 Committee recommends that one of the main functions of the Centre will be to establish an electronic database for financial regulatory information. The Centre should in-charge of the day to day operations, maintenance and updating the electronic database, analyse the data submitted in the database and provide analytical support to FSDC. While doing this, the Centre should also ensure that it maintains internal controls between its functions of collecting and analysing the data.
- 3.4 Committee further recommends that the Act should only mention that the Centre will provide analytical support to FSDC on issues relating to financial stability. The form and manner of the analytical support will be decided at a later stage and will be specified in the regulations.

Members, officers and employees of the Centre

- 3.5 The Chief Executive Officer of the Centre shall be appointed by the Central Government and the Chief Data Officer and the Chief Economist shall be appointed by the Central Government in consultation with the Chief Executive Officer and these are whole time members. Save as otherwise determined by regulations, the Chief Executive Officer of the Centre shall also have powers of general superintendence and direction of the affairs of the Centre and may also exercise all powers and do all things which may be exercised or done by the Centre. In addition to this, there are two non-official members to be nominated by the Central Government out of which one of the members shall be an ex-officio member not below the rank of Joint Secretary to the Central Government. The Chief Executive Officer and all the members shall be persons who have shown capacity in dealing with problems relating to financial stability or have knowledge and experience of law or finance or economics or technology or statistics.
- 3.6 To ensure secrecy and avoid conflict of interest, the Committee recommends that member, employee or officer of the Centre having access to confidential data will be not be allowed to render advice or accept any employment with a financial service provider for a period specified in the act until the person has taken approval of the Central Government or the FDMC (depending on whether the person was a employee or member of the Centre).To provide independence and ensure accountability while performing functions assigned to members of employees in furtherance of objectives of the Centre, the Committee's view was to grant the status of "public servants" to the members, officers and employees of the Centre.
- 3.7 Committee also decided that the Central Government should have the power to remove the Chief Executive Officer or other members. However, to ensure that grounds for removal are not arbitrary, specific reasons for removal have been specified in the draft law.

The salary and allowances and other terms and conditions of service of members are to be prescribed by the Central Government through rules.

- 3.8 In order to ensure smooth functioning of the Centre and to ensure that it is not hampered because of lack of adequate resources or talent, the Committee noted that the Centre should have the power to appoint officers and employees as it considers necessary. The draft law gives these powers to the Centre with the term and conditions of service of such officers to be determined by regulations at a later stage.

Manner of functioning

- 3.9 Any governmental agency, especially an agency like FDMC cannot effectively function without the co-operation of regulators. It also has to ensure that it is transparent in its functioning and takes regulator's concerns into account. The Committee decided that the Centre should hold regular consultations with the regulators and make its decisions documented. Regular meetings of the Centre will be held for it to discharge its functions effectively. All the decisions of the Centre will be decided by majority of votes of the members. In the event of equality of votes, the chief executive officer or the member presiding shall have the right to exercise a second or casting vote. Committee was also of the view the member's interests should not be in conflict with those of the FDMC. The Act provides that if any member, who is a director of a company and if the member has any direct or indirect pecuniary interest in any matter which is presented for the consideration of the Centre, the conflict will be recorded in the meeting's proceedings of the Centre, and shall not take part in the meeting when the matter particular to the conflict is being discussed.

Financing of FDMC

- 3.10 To ensure independence of the Centre, the Committee recommends that a fund called the Financial Data Management Centre Fund is

created. The fund will comprise of Government grants, fees and charges received by the Centre. The sum of money collected in the fund should be used for meeting, salaries, allowances and other remuneration of members, officers and employees of the Centre. The fund could also be used for expenses to discharge of its functions under the Act.

3.11 The Committee recommended suitable incorporation of provisions in chapter 7 of the draft bill which states that the quantum of fees shall be decided in consultation with the regulators and the Central Government for ensuring that the fee charges are reasonable and economical, keeping in view SEBI and IRDAI's observations that creating new institution can impose burden in terms of logistics and also in terms of resources of the regulators, especially since the respective statutes vests power to the regulators to collect data for the purpose of regulation. On the issue of payment of fees raised by PFRDA with respect to data access of financial service providers regulated by it, it was clarified that as per section 22(1) of the draft law, such fee is payable for collection, storage and providing access. The Committee also viewed that the long term financial sustenance and independence of the FDMC, depends on the fees being charged by the Centre for collecting, storing and providing access to the data contained in the database of the Centre.

3.12 Committee recommends that the Centre should meet high standards of accountability. Therefore, under the draft law, Centre is required to maintain accounts and prepare an annual statement of accounts in consultation with the Comptroller and Auditor-General of India. The accounts of the Centre will be audited by the Comptroller and Auditor General of India. Audit report of the Comptroller and Auditor General of India is required to be laid before each House of the Parliament.

Power of the Central Government

3.13 Committee views Central Government's role to be crucial for

monitoring the functioning of the Centre. The Committee recommends that the Central Government should step in whenever it is established that the Centre is not being able to perform its functions or meet its objectives. The Committee decided that the Central Government should have the power to supersede the Centre in grave emergencies and whenever the Centre has consistently failed to comply with any directions of the Central Government or the administration of the Centre has deteriorated. The Committee also decided that the Central Government should have the power to make rules and regulations to ensure smooth functioning of the Centre.

Data submission process

- 3.14 During the course of Committee discussions, Chairman sought the status of the existing information available with the regulators. It came to the notice of the Committee that regulators are still receiving certain filings in physical formats from its regulated entities. The Chairman emphasized that mode of filings should be in electronic format without any delay and with regard to observation of SEBI that the cost of conversion of existing data into electronic format may not be borne by the regulators, reemphasized that the cost of conversion of existing data into electronic format should be borne by the regulators. The Committee broadly agreed that this will enable environment for data sharing with FDMC.
- 3.15 The Committee recommended suitable provisions in Section 23 and Chapter 10 under MoUs which will put an obligation on the FDMC and the regulators to enter into agreement which sets out the manner in which, the regulatory data already held by the regulators will be sent across to the Centre. The issue of enabling provisions for linkages with other databases was also discussed by the Committee. It was agreed by the Committee that since FDMC is at a nascent stage, efforts should be to operationalise the Centre and standardize the processes around collection of data. It was also

pointed out by RBI that as per the Fidelity and Secrecy Act, 1983 the obligations of the Public Financial Institutions (PFIs) are to be specified by the Government. The PFIs may for efficient discharge of their functions divulges credit and allied information to the Central Government or banks as specified. It is therefore unclear if the information from these entities is not to be brought into the financial database. In this context, the Committee was informed that operational PFIs are regulated by one of the regulators hence data submission from PFIs to the Centre is not required.

- 3.16 As regards the definition of ‘financial regulatory data’, SEBI pointed out that that any information submitted by the entity pursuant to a fact finding exercise, even prior to the initiation of the formal investigation/inquiry and which is otherwise not available on the public domain, should also be exempted from the purview of “financial regulatory data” that is contemplated to be submitted to the Data Centre. This was appropriately addressed by the Committee during its deliberations and appropriate clause was suggested under chapter 2 in the draft law addressing this concern.
- 3.17 Committee decided that after the initial phase when the formats for data submission are standardized, the financial service provider will submit the data to the Centre. The Committee also recommends that the regulator should not be restricted from maintaining a separate database of financial regulatory data.

Confidentiality and Access to Data

- 3.18 Committee noted that data collected by the Centre is important and sensitive and hence there should be measures in place to ensure that data access is regulated and monitored. Committee decided that the Centre can access and use the information stored in the database only for the purpose of performing its functions and in the manner specified by the regulations.
- 3.19 RBI was of the view that since sharing of data pertaining to individual entity would attract confidentiality clause and is

prohibited, only consolidated information can be passed on to FDMC. In this context, it was brought to the notice of the Committee members in the first meeting that this was one of the main reasons behind legal framework for FDMC as stated in para 1.2 of this report. RBI also observed that it would be preferable for financial service providers to submit the financial regulatory data to the appropriate regulator, and not directly to the FDMC. In this regard, the Chairman explained the Committee members that, in the initial stage, the Centre would collect financial regulatory data from financial service providers (FSPs) only through the regulators.

- 3.20 RBI also viewed that maintenance of same set of data by both FDMC and regulators will only result in duplication and reconciliation issues as well as confusion regarding source/ownership of data. This was taken note by the Committee where it was explained that the Centre would collect data directly from the FSPs in the long run keeping in view the advantages of the proposed FDMC as stated in para 2.5 of the report which would clearly avoid the problem of duplication. The Committee also noted that FDMC will collate the data as agreed to be provided by the regulators for the purpose of consolidation and provide analytical support to FSDC. The Committee also took the view that question of ownership of data does not arise in legal terms as it is not a property to be owned. However, in view of the reservation of RBI, provisions has been suitably incorporated in the chapter 1 read with section 21 and 22 of the draft law stating that collection of data from FSPs, would be done only after consultation with the regulators. It was believed that standardization of data in consultation with the regulators by FDMC will further help in addressing the issues of duplication and reconciliation.
- 3.21 RBI also brought to the notice of the Committee that access to confidential information on an ongoing basis to more than one authority would impinge on the basic tenets of confidentiality. It was also pointed out that the draft law is silent on RTI Act

implications to the data stored with the Centre. In this regard, Committee after deliberations agreed to incorporate adequate safeguards under section 46 in the draft law related to confidentiality to protect the regulatory data provided by the regulator. The Committee recommended that the level of protection offered by the Centre to the data should be the same as provided by the relevant enactments applicable to the relevant regulators. This measure will ensure that confidentiality of data is not compromised and the data is accessed and used only for the permitted purposes as specified in the draft law.

- 3.22 As suggested by RBI, the appropriateness of delegating the powers of Centre to or members or employees was relooked into considering the importance of the sensitivity of the data. The Committee after detailed discussions agreed that except the core functions of the FDMC, the administrative powers may be delegated. Committee was of the view that regulations should determine the manner in which the employees of the Centre may access the data contained in the database. Issue of whether the relevant data pertaining to appropriate regulator alone may be accessed by the said regulator was discussed by the Committee. In this regard it was agreed by the Committee that such concerns can be addressed by the MOUs envisaged under chapter 10 to be entered by the regulators with the Centre. Also, the Committee recommends that FDMC, FSDC and each regulator will decide the terms on which the FSDC or the relevant regulator will submit or access the data contained in the database.

Offences

- 3.23 Considering the sensitivity of the data, unauthorized access or any other act which compromises the functioning of the database or FDMC should be taken seriously. Therefore, Committee recommends that if any person deliberately or with authority accesses or facilitates access, denies access, reproduces the data contained in the database without authority, causes damage to the

database or provides assistance to any person in conducting such act, he/she shall be punishable with imprisonment or fine or both. In case of offences committed by companies, the person in charge of the company should be held liable and punished. Committee decided that Central Government will have the authority to make a complaint and Court of Session will be the first court to entertain such complaints.

Inter-regulatory coordination and Memorandum of Understanding (MoUs)

- 3.24 The Committee noted that for setting up of the Centre and its functioning, a lot depends on the co-ordination between regulators, the Centre and FSDC. Committee was of the view that a formal framework should be codified so that there is no ambiguity regarding the course of action to be followed when issues related to co-ordination come up. In this regard, the Committee recommends that co-ordination amongst regulators should be managed through MOUs as mentioned in chapter 10 of the draft bill.
- 3.25 The Centre and each regulator will enter into a MOU which describes in general terms the roles and responsibilities of the parties and the manner in which each party intends to comply with the obligations set forth in the memorandum.
- 3.26 The memorandum may, in particular, shall contain provisions dealing with the obligations for setting up of systems and roles and responsibilities of the Centre and the regulator to enable the submission of database by the regulator, co-ordination and development of standardized formats for submission of the database, the roles and responsibilities of the Centre and the appropriate regulator for the purpose of performing their functions, the manner in which database will be given the same level of confidentiality as applicable under the relevant acts applicable to the regulator.
- 3.27 Committee was of the view that the MOU may be reviewed on an

annual basis. With reference to the provision in the draft law regarding dispute resolution mechanism, the Committee noted that there can be a difference of opinion between the FDMC and regulators with respect to the interpretation of the terms of MOU and an effective dispute resolution mechanism should be in place. In order to achieve this, the committee proposed a mechanism according to which any difference of opinion will be referred to the FSDC and the matter should be resolved as soon as the difference comes to the notice of the FSDC. A clause suggested by RBI was suitably modified and incorporated in the draft law under Section 36 to address this issue.

Financial Regulatory Data

- 3.28 SEBI mentioned that the data sharing and access through the financial system database as envisaged in the FDMC should not in any manner affect the regulatory powers of the financial sector regulators and restrict the regulators to mutually exchange information on regulated entities without recourse to the FDMC. RBI also expressed similar opinion. In this regard, the Committee decided to add a suitable clause in the chapter dealing with 'Financial Regulatory Data' of the draft law. This clause states that the collection of data by the Centre shall not affect the regulatory powers of the regulators including power to collect data from financial service providers regulated by the said regulator.

Amendments to RBI Act 1934 and the Banking Regulation Act 1949

- 3.29 RBI requested the Committee to re-examine the need for a FDMC as a statutory body considering the provisions of RBI Act and the BR Act which do not permit RBI to share individual entity specific information. It also stated that purpose of FDMC can be achieved through the existing framework. In this context, the Committee held detailed discussion as mentioned in para 1.2, 2.1, 2.2, 2.3 of the report where the rationale behind FDMC (such as FSLRC Recommendations, Task Force Report, FSAP and FSB Peer review

recommendations) have been discussed and clearly established. It was also noted that the concern of RBI as stated in para 1.2 of the report led to the decision for setting up FDMC as a statutory body and therefore the Committee may focus on the provisions of the statutory framework. In this context, Committee also recommended relevant provisions related to Amendments to the RBI Act 1934 and the Banking Regulation Act 1949 as suggested by RBI in chapter 12 under draft law related to amendments.

Appropriate Regulator

- 3.30 On the list of appropriate regulators, RBI viewed that National Housing Bank (NHB) which is the regulator of the housing finance companies could be considered for inclusion in the list. In this regard, the Committee noted that NHB is regulated as per the National Housing Bank Act, 1987 ("NHB Act"). As per the NHB Act - the chairman, MD and some of the directors of NHB are appointed in consultation with the RBI, NHB can borrow money from the RBI, can collect information from any bank or institution specified by RBI, NHB's auditors are appointed by RBI, NHB is required to furnish such information and return as required by RBI and annual report of NHB is submitted to RBI. In this context, keeping in view that RBI has substantial supervisory authority over NHB as indicated above, the Committee finally decided that NHB need not be included in the list of regulators. If required, RBI can obtain data from NHB and furnish it to FDMC for analysis as FDMC's primary role is to provide research and analysis support to FSDC. Since current composition of FSDC already includes RBI and other financial regulators, NHB is not required to be included at this stage.**

4. Involvement of State Level Regulatory Agencies

- 4.1 The Committee also held discussions on the involvement of state level regulatory agencies. RBI viewed that financial entities such as Co-operative societies, chit funds, money**

lenders etc. are under the purview of the State Governments or Authorities constituted by the State Governments. A mechanism to monitor these as well as entities/ activities outside the regulated area such as acceptance of deposits by unincorporated bodies or association of individuals, money circulation schemes, collective investment schemes etc. exists in the form of State Level Co-ordination Committees (SLCC) under RBI. In this regard, the Committee deliberated whether FDMC could also explore collection of data from state level regulators/ supervisors and noted that the main objectives of FDMC is to provide analytical support to FSDC which has the objective of financial stability, financial sector development, inter-regulatory coordination, financial literacy, financial inclusion, macro prudential supervision of the economy including the functioning of large financial conglomerates, and coordinating India's international interface with financial sector bodies like Financial Stability Board (FSB) & FATF. FSDC has membership from all financial sector regulators i.e.; the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Pension Fund Regulatory and Development Authority (PFRDA) and Insurance Regulatory and Development Authority of India (IRDAI).

- 4.2 The Committee noted that the sectoral regulation of the schemes offered by registered Cooperative Societies and State Financial Corporations fall under the respective state governments. The Committee also noted that the issue of State level regulatory agencies/identifying gaps in the existing regulatory framework for deposit taking activities also came under the consideration of an Inter-ministerial Group (IMG), set up by the Government of India which has recommended a number of legislative and non-legislative measures, including legislation of a comprehensive Central law called the "Banning of Unregulated Deposit Schemes and Protection of Depositors' Interest Bill". ("The Banning Bill"). The IMG had also observed**

that the regulatory framework for deposit taking activities are fragmented across states.

- 4.3 It was felt that if the scope of FDMC has to be expanded in order to include state regulated agencies, consultations have to be undertaken with the State Government. The Committee was of the opinion that the role of the FDMC is to broadly collate data across the financial sector regulators at the Central Level as notified by the Central Government.**
- 4.4 Efforts should be concentrated on framing the law, setting up of centre and standardizing processes around collection of data from central level regulators and entities. As the system matures and if it is decided to integrate data of state level financial sector regulators, the same has to be done with wide consultation with the states, which is a long drawn process. Hence, it was viewed that the coverage of the FDMC may be limited to all financial sector regulators notified by the Central Government, as provided in the draft Bill.**

5. Accordingly, the Committee recommends for an Act to provide for the establishment of a Data Centre for managing the repository, to enable standardisation of Data across the financial sector and providing analytical support to the Financial Stability and Development Council on issues related to financial stability of the economy and matters connected therewith.

Shri Ajay Tyagi,
Chairman

Dr.C.S. Mohapatra
Member

Shri R Gurumurthy
Member

Shri H. Ananthakrishnan
Member

Shri Rahul Ravindran
Member

Ms. Babitha Rayudu,
Member

Shri M.Khandelwal
Member

Shri Sudhir Shyam
Member

Annex-I

F. No 18/13/2015-FSDC-Pt
Government of India
Ministry of Finance
Department of Economic Affairs
(FSDC Secretariat)

North Block, New Delhi
Dated the 25th May, 201

OFFICE ORDER

The Hon'ble Finance Minister in Para 90(iii) of his Budget Speech 2016-17 has announced that "a Financial Data Management Centre (FDMC) under the aegis of the Financial Stability Development Council (FSDC) will be set up to facilitate integrated data aggregation and analysis in the financial sector".

2. Pursuant to the above announcement, it has been decided to set up a Committee with the following composition to study the Financial Data Management Legal Framework in India, as also the recommendations of the Task Force on FDMC and to submit a report along with a draft Bill for setting up a statutory Financial Data Management Centre (FDMC) within a period of three months.

- i. AS (Investment), DEA – Chairperson
- ii. Representative of the Reserve Bank of India -Member
- iii. Representative of the Securities and Exchange Board of India -Member
- iv. Representative of the Insurance Regulatory and Development Authority of India -Member
- v. Representative of the Pension Fund Regulatory and Development Authority -Member
- vi. Representative of the Department of Legal Affairs -Member
- vii. Representative of the Department of Financial Services -Member
- viii. Adviser (FS) –Member

3. Assistance to the committee may be provided under the NIPFP-DEA research programme.

4. This has the approval of Secretary, DEA.


(C.S. Mohapatra)
Adviser (FS)
☎: 23092882





o/c

1. Governor, RBI, Mumbai with the request to nominate a Senior Officer conversant with the subject to attend the meetings of the Committee.
2. Secretary, Department of Financial Services, with the request to nominate a Senior Officer conversant with the subject to attend the meetings of the Committee.

Contd...2/-

3. Chairman, SEBI, Mumbai with the request to nominate a Senior Officer conversant with the subject to attend the meetings of the Committee.
4. Chairman, IRDAI, Hyderabad with the request to nominate a Senior Officer conversant with the subject to attend the meetings of the Committee.
5. Chairman, PFRDA, New Delhi with the request to nominate a Senior Officer conversant with the subject to attend the meetings of the Committee.
6. Secretary, Ministry of Law, with the request to nominate a Senior Officer conversant with the subject to attend the meetings of the Committee.
7. Dr. C. S. Mohapatra, Adviser (FS), DEA, Ministry of Finance, North Block, New Delhi - 110001.

Copy for information to:-

1. PS to Hon'ble Finance Minister  26/08/16
 2. PS to MoS (Finance)  26/8
 3. PPS to Secretary, DEA, Ministry of Finance  26/8
 4. PPS to AS(Investment)/AS(EA), DEA, Ministry of Finance  26/8
 5. JS(FM)/Adviser(CD & FSLRC), DEA, Ministry of Finance
-

Annex-II

F. No 18/13/2015-FSDC-Pt
Government of India
Ministry of Finance
Department of Economic Affairs
(FSDC Secretariat)

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North Block, New Delhi
Dated the 22nd August, 2016

OFFICE ORDER

In continuation of this Division's Office Order of even no. dated 25th May 2016 regarding setting up a Committee under the Chairpersonship of AS(Investment) to study the Financial Data Management Legal Framework in India, it is hereby conveyed that the tenure of the Committee has been extended by two more months ie; from 25th August 2016 to 25th October 2016.

2. This has the approval of Secretary, DEA.

(Dr Manik Chandra Pandit)

Joint Director

☎: 23092966

To,

1. Dr. C. S. Mohapatra, Adviser (FS), D/o Economic Affairs, M/o Finance, Government of India
2. Shri Sudhir Shyam, Director, D/o Financial Services, M/o Finance, Government of India
3. Shri M. Khandelwal, Additional Legal Adviser, D/o Legal Affairs, M/o Law and Justice, Government of India
4. Shri R Gurumurthy, Chief General Manager, RBI
5. Ms Babitha Rayudu, Chief General Manager, SEBI
6. Shri A. Venkateshwara Rao, Joint Director, IRDAI
7. Shri Rahul Ravindran, Deputy General Manager, PFRDA

Copy for information to:-

1. PS to Hon'ble Finance Minister
 2. PS to MoS (Finance)
 3. PPS to Secretary, D/o Economic Affairs, Ministry of Finance
 4. PPS to AS(Investment)/AS(EA), DEA, Ministry of Finance
 5. JS (FM)/Adviser(CD & FSLRC), DEA, Ministry of Finance
-

Annex-III

**F. No. 16/03/2013-FSLRC
Ministry of Finance
Department of Economic Affairs
(FSLRC Division)**

North Block, New Delhi
30th September, 2014

OFFICE ORDER

Subject: Task force on Financial Data Management Centre.

The Financial Sector Legislative Reforms Commission (FSLRC) has recommended the creation of a Financial Data Management Centre (FDMC), which would be a repository of all financial regulatory data. It is expected to have advanced database management capabilities with electronic data submission, generate a full view of the entire Indian financial system, and sharply reduce costs of compliance for financial firms submitting supervisory data to financial agencies.

At a meeting of the Financial Stability and Development Council (FSDC) held on October 24, 2013, it was decided that action should be taken for finalising the road map for creation of the FDMC as envisaged in the draft Indian Financial Code. The Ministry has begun preparatory work for developing this road map for the FDMC. With the objective of supporting the Ministry of Finance in preparatory work for the FDMC, it has been decided to set up a task force with the following composition:

1	Dr. Subir Gokarn	Chairman
2	Mr. Dilip Asbe (NPCI)	Vice - Chairman
3	Mr. Ravi Narain (NSE)	Member
4	Mr. M.S. Sahoo (ICSI)	Member
5	Prof. V. Ravi Anshuman (IIM Bangalore)	Member
6	Additional Secretary (Investment)	Member
7	Coordinator NIPFP-DEA Programme	Member
8	Representatives from all Regulators (RBI, SEBI, IRDA, PFRDA, FMC)	Invitee(s)

The Terms of Reference (ToR) of the task force will be as follows:

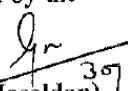
1. Review the international best practices in terms of (a) E-filing systems that work across the entire financial system, as in Canada and (b) The establishment of an information system that works across the entire financial system and thus makes it possible to think about systemic risk, as in the US.
2. Review the present practices of management of regulatory data in India.
3. Develop the organisation design for the proposed FDMC that implements the capabilities envisaged for it under the draft Indian Financial Code.
4. Develop a financial plan of the FDMC which
 - i. provides a true and accurate picture of the expenses of the FDMC with appropriate levels of details for each function of the FDMC; and
 - ii. outlines the systems of financial controls that the FDMC may use.
5. Develop an administrative plan that includes a design of the physical infrastructure required for the FDMC.
6. Develop process manuals for the FDMC, which include detailed processes to be followed for each function of the FDMC.
7. Develop specifications of information technology system with sufficient level of detail that can

- be used for a formal contract with service providers to build such a system.
8. Design a mechanism for verifying that all data coming in from all financial firms to all financial agencies is taking place through straight-through-processing without human intervention.
 9. Engage with each financial agency in the development of one regulation, which serves as an example of the mechanism for data filing into FDMC that is compatible with the draft Indian Financial Code.
 10. Support development of information technology system suitable for the FDMC.
 11. Support and advice in acquiring and monitoring the services of consultants contracted to help in development of the FDMC.
 12. Develop a transition plan from present systems of management of regulatory data to the FDMC.
 13. Design reporting structures through which FSDC and the public are able to track the implementation and performance of FDMC, and accountability is achieved.
 14. Develop the mechanism through which existing financial agencies can voluntarily adopt the FDMC immediately, through cooperation at the FSDC.

Task Force will undertake cost benefit analysis (CBA) of alternatives/options while making recommendations

The NIPFP-DEA research programme team will be the secretariat for the task force, and all expenses related to the Task Forces activities will be met from the budget of NIPFP-DEA research programme supplemented as and when necessary. NIPFP-DEA research programme will also provide appropriate research assistance to the task force.

The task force will complete its tasks within a one year. The time period may be extended by the Ministry, if such an extension is found to be necessary for fulfilment of terms of references.


 (Gaurav Masaldan)
 Director (FSLRC)
 23092247/23095038

1. Chairperson/Members of Task Force (as per list of addresses attached).
2. Governor, RBI, Mumbai; with the request to nominate a Senior Officer conversant with the subject to attend the meetings of the Committee.
3. Chairman, SEBI, Mumbai; with a request to nominate a Senior Officer conversant with the subject to attend the meetings of the Committee.
4. Chairman, IRDA, Hyderabad; with a request to nominate a Senior Officer conversant with the subject to attend the meetings of the Committee.
5. Chairman, PFRDA, New Delhi; with a request to nominate a Senior Officer conversant with the subject to attend the meetings of the Committee.
6. Chairman, FMC, Mumbai; with a request to nominate a Senior Officer conversant with the subject to attend the meetings of the Committee.
7. Director, NIPFP/Prof Ajay Shah, NIPFP

Copy for information to:-

1. PS to Hon'ble Finance Minister
2. PS to MoS(Finance)
3. PPS to FS, Ministry of Finance
4. PS to AS(Investment)/AS(EA)/AS & FA, DEA, Ministry of Finance
5. JS(FM)/Adv(CM)/Adv(FSDC), DEA, Ministry of Finance

Task Force on FDMC: Broad Implementation Plan

The following is the broad implementation plan in establishing the FDMC suggested by the Task Force on FDMC:

- 1) Hiring a Primary Consultant (PC) who will prepare a detailed project plan for the setting up of a FDMC and will specifically do the following:
 - i. Develop the organizational design and HR systems and manuals for the FDMC envisaged in the draft IFC.
 - ii. Develop a financial plan of the FDMC which:
 - Provides a true and accurate picture of the expenses of the FDMC with appropriate levels of details for each function of the FDMC.
 - Outlines the system of financial controls that the FDMC may use.
 - iii. Develop an administrative plan that includes a design of the physical infrastructure required for the FDMC.
 - iv. Develop operations manuals for the FDMC, which include detailed processes to be followed for each function of the FDMC.
 - v. Develop specifications of the IT system for the FDMC with sufficient level of detail and prepare the necessary bidding documents for hiring of a firm to build the IT system.
 - vi. Support and advice in acquiring and monitoring the services of consultants contracted to help in the development of FDMC.
 - vii. Develop a plan for transition from current system submission by the financial agencies to the regulatory bodies to direct submission to FDMC.
 - viii. Design the reporting mechanisms, and the release of datasets that would be analysed by independent researchers.
 - ix. Drawing on international best practices, develop broad key performance indicators for performance evaluation of the FDMC for the Government as the Principal to consider and prescribe.
- 2) Hiring of a firm to build the IT system of the FDMC.
- 3) Development of a IT system of the FDMC by hired firm. (Time lines to be separately developed and to be indicated in the Request for

Proposal (RFP) and bidding documents while procuring the IT firm.)

- 4) Procuring physical infrastructure.
- 5) Authorisation through legislation and rules.
- 6) Establishing full functionality of the FDMC.
- 7) The entire establishment of the FDMC can be grouped into 3 phases, each of roughly twelve months duration:
 - i. the development phase;
 - ii. the implementation phase and
 - iii. the stabilisation phase.
- 8) The involvement of PC is envisioned in two phases–
 - i. the development phase and
 - ii. the implementation support phase

In the development phase, the PC will support the task force for a period of 12 months for the development of FDMC, the PC will support FDMC in implementation of the functions and operations of the FDMC as well as transitioning into a fully operational FDMC. The implementation support will be for 12 months. Thus, the total duration of PC support will be for 24 months.

The Financial Data Management Centre Bill, 2016 244

ARRANGEMENT OF CLAUSES

CLAUSES

CHAPTER 1

SHORT TITLE, EXTENT AND APPLICATION

1. Short title, application and commencement.

CHAPTER 2

DEFINITIONS

2. Definitions.

CHAPTER 3

ESTABLISHMENT AND FUNCTIONING OF THE DATA CENTRE

3. Establishment of the Data Centre.
4. Functions of the Data Centre.
5. Composition of the Data Centre.
6. Terms and conditions of service.
7. Approvals to be obtained by Officers and Employees.
8. Administrative Powers of Chief Executive Officer.
9. Removal and suspension of Members.
10. Holding of property by the Data Centre.
11. Transparency in functioning.
12. Officers and employees of the Data Centre.
13. Meetings.
14. Vacancies, etc. not to invalidate proceedings of Data Centre.

CHAPTER 4

FINANCE, ACCOUNTS AND AUDIT

15. Fund.
16. Accounts and audit.
17. Returns and reports.
18. Grants.

CHAPTER 5

FINANCIAL SYSTEM DATABASE

19. Establishment of the financial system database.

CHAPTER 6
INITIAL DATA SUBMISSION PROCESS

20. Submission of financial regulatory data to the financial system database.

CHAPTER 7
FINANCIAL REGULATORY DATA

21. Submission of financial regulatory data by a financial service provider to the financial system database.
22. Levy and collection of fees by the Data Centre.
23. Standardisation of formats for submission of financial regulatory data.
24. Regulatory powers of Regulators unaffected.

CHAPTER 8
ACCESS TO FINANCIAL REGULATORY DATA

25. Access to data by the Data Centre.
26. Access to data by the Central Government and the Regulators.

CHAPTER 9
OFFENCES

27. Offences in relation to financial system database.
28. Offences by companies.
29. Institution of proceedings for offences.
30. Compounding of offences.

CHAPTER 10
MEMORANDA OF UNDERSTANDING

31. Memorandum of Understanding between Data Centre and appropriate Regulator.
32. Memorandum of Understanding between Data Centre and the Council.
33. Review of Memoranda of Understanding.
34. Changes to Memorandum of Understanding.
35. Publication of Memoranda of Understanding.
36. Dispute Resolution.

CHAPTER 11
MISCELLANEOUS

37. Transition of existing financial regulatory data.
38. Exemption from tax on wealth, income, profits and gains.
39. Members, officers and employees of the Data Centre to be public servants.
40. Protection of action taken in good faith.
41. Power of Central Government to issue directions.
42. Power of Central Government to supersede Data Centre.
43. Power to make rules.
44. Power to make regulations.
45. Legal validity of financial regulatory data in the financial system database.
46. Confidentiality of financial regulatory data.
47. Laying rules, bye-laws, etc. before Parliament.
48. Power to remove difficulties.
49. Application of other laws not barred.

CHAPTER 12
AMENDMENTS

- 50. Amendments to the Reserve Bank of India Act, 1934.
- 51. Amendments to the Banking Regulation Act, 1949.

CHAPTER 13
SCHEDULE

Schedule 1: Appropriate Regulator

Bill No. 1 of 2016

The Financial Data Management Centre Bill, 2016 244

A

BILL

BE it enacted by Parliament in the Year of the Republic of India as follows:—

An Act to provide for the establishment of a Data Centre for managing the repository, to enable standardisation of Data across the financial sector and providing analytical support to the Financial Stability and Development Council on issues related to financial stability of the economy and matters connected therewith.

CHAPTER 1

SHORT TITLE, EXTENT AND APPLICATION

1. (1) This Act shall be called the Financial Data Management Centre Act, 2016. Short title,
application and
commencement.
- (2) It extends to the whole of India.
- (3) It shall come in to force on such date as may be appointed by the Central 5
Government through notification in the official gazette.
Provided that different dates may be appointed for different provisions of this
Act.
Provided further that section 21(1) or 22(1) shall be notified only after consul- 10
tation with appropriate Regulator and any reference in any such provision to
the commencement of this Act shall be construed as a reference to the coming
into force of that provision.

CHAPTER 2

DEFINITIONS

2. In this Act, unless the context requires otherwise, – Definitions.
15
- (1) “Act” means the Financial Data Management Centre Act, 2016.
- (2) “appropriate regulator” means a regulator as described under Schedule 1 or
any other agency as may be specified by the Central Government by notification
in the official gazette.
- (3) “computer contaminant”, “computer virus” and “damage” shall have the mean- 20
ing respectively assigned to them under section 43 of the Information Technol-
ogy Act, 2000 (21 of 2000).
- (4) “confidential data” means the data contained in the financial system database,
which is not available in the public domain.
- (5) “Council” means the Financial Stability and Development Council established 25
by the Government of India, under Notification No. F. 14/33/2010-EM, dated
30th December, 2010.
- (6) “Data Centre” means the Financial Data Management Centre established under
section 3(1).
- (7) “financial regulatory data” means the information that a financial service provider 30
is obligated to submit to the appropriate Regulator on a periodic basis.
- (8) “financial service provider” means any entity regulated by the appropriate Reg-
ulator.
- (9) “financial system database” means the database of financial regulatory data 35
established by the Data Centre including hardware infrastructure acquired by
the Data Centre to operate, maintain and update the database in accordance
with section 19 and also includes the hardware infrastructure.
- (10) “group”, in relation to a person, means the person and other persons, –
- (a) that control, or are controlled by or are under common control with, the 40
person;

- (b) that have the capacity to exercise a significant influence over the financial decisions of that person due to the existence of an arrangement or relationship between them; and
- (c) over whose financial decisions the person has the capacity to exercise a significant influence, due to the existence of an arrangement or relationship between them.
- (11) “member” means a member of the Data Centre.
- (12) “notification” means a notification published in the Official Gazette, and the term “notified” and “notify” shall be construed accordingly.
- (13) “person” includes, –
- (a) an individual;
 - (b) a Hindu undivided family;
 - (c) a company;
 - (d) a trust;
 - (e) a partnership;
 - (f) a limited liability partnership;
 - (g) an association of persons or body of individuals, whether incorporated or not;
 - (h) every body corporate, artificial juridical person not falling within clauses (a) to (g); or
 - (i) any agency, office or branch owned or controlled by any of the persons mentioned in clauses (a) to (h).
- (14) “prescribe” means prescribed by the rules made by the Central Government under this Act, and the term “prescribed” shall be construed accordingly.
- (15) “periodic basis” means the financial regulatory data that is submitted in accordance with law periodically to the appropriate Regulator by the financial service provider and excludes all data collected during investigation, prosecution, inspection and proceeding of similar nature conducted or initiated by the appropriate Regulator in accordance with any law.
- (16) “regulations” means regulations made by the Data Centre under this Act.
- (17) “Regulator” means subject to subsection (2) of section 2 the Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India or Pension Fund Regulatory and Development Authority.
- (18) “specify” means specified by regulations made under this Act and the term “specified” will be construed accordingly.

CHAPTER 3

ESTABLISHMENT AND FUNCTIONING OF THE DATA CENTRE

3. (1) With effect from such date as the Central Government may, by notification, appoint, there shall be established, for the purposes of this Act, a Data Centre by the name of Financial Data Management Centre.

Establishment of
the Data Centre.

- (2) The Data Centre shall be a body corporate by the name aforesaid, having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, subject to the provisions of section 10 and to contract and shall, by said name, sue or be sued. 5
- (3) The head office of Data Centre shall be at such place as the Central Government may decide.
- (4) The Data Centre may establish offices at other places in India with prior approval of the Central Government.
4. (1) Subject to the provisions of this Act, or any other law for the time being in force, it shall be the duty of the Data Centre to take measures to standardise data from regulators in consultation with the regulators, enable financial service providers to submit data in a standardised electronic format, analyse the data and maintain a financial system database. Functions of the Data Centre.
- (2) Without prejudice to the generality of the foregoing provisions, the powers and functions of the Data Centre shall include - 15
- (a) establishing, operating and maintaining the financial system database along with collecting financial regulatory data and providing access to it;
- (b) ensuring the costs associated with submission of and access to, financial regulatory data are economical and reasonable; 20
- (c) providing analytical support to the Council on issues relating to financial stability as may be prescribed;
- (d) exercising such other powers and functions as may be prescribed.
5. (1) The general superintendence, direction and management of the functions of the Data Centre shall vest in the Data Centre which may exercise all powers and do all acts and things which may be exercised or done by the Data Centre. Composition of the Data Centre.
- (2) The Data Centre shall consist of the following members, namely -
- (a) a chief executive officer;
- (b) a chief data officer; 30
- (c) a chief economist; and
- (d) two non-executive members.
- (3) The chief executive officer of the Data Centre shall be appointed by the Central Government and the members referred to in clauses (2)(b) and (2)(c) of sub-section (2) shall be appointed by the Central Government in consultation with the chief executive officer. 35
- (4) The members appointed under sub-section (3) shall be whole-time members of the Data Centre.
- (5) Members referred to in clause (2)(d) of sub-section (2) shall be nominated by the Central Government. One of the members referred to in clause (2)(d) of sub-section (2) shall be an ex-officio member not below the rank of Joint Secretary to the Central Government. 40
- (6) The chief executive officer and the members referred to in clauses (2)(b) and (2)(c) shall be:

- (a) persons of ability, integrity and standing who have shown capacity in dealing with problems relating to financial stability, or
- (b) have knowledge and experience of law, or
- (c) finance or economics or technology, or
- (d) statistics.

(7) The Data Centre may, by general or special order in writing delegate to any member, officer of the Data Centre or any other person subject to such conditions, if any, as may be mentioned in the order, such of its powers and functions under this Act (except powers granted under section 44) as it may deem necessary.

6.

Terms and conditions of service.

The salary and allowances payable to, and other terms and conditions of service of, the members shall be such as may be prescribed.

7. (1) No member, employee or officer of the Data Centre who had access to confidential data, shall render advice or accept any employment with a financial service provider or an entity in the same group for a period of one year after he has ceased to be a member, employee or an officer of Data Centre, unless:

Approvals to be obtained by Officers and Employees.

- (a) such member seeks the approval of the Central Government.
- (b) such employee or officer seeks the approval of the Data Centre.

Provided that nothing in this sub-section shall apply to any employee of the Data Centre who is deputed or otherwise posted from a financial sector regulator.

(2) In considering an application made under sub-section (1), the Data Centre or the Central Government, as the case may be, shall consider the following factors, –

- (a) the period that has elapsed since the member or employee had access to the confidential information; and
- (b) whether the confidential information is in public domain at the time the member or employee proposes to accept the employment or render the advice.

8. Save as otherwise determined by regulations, the Chief Executive Officer of the Data Centre shall also have powers of general superintendence and direction of the affairs of the Data Centre and may also exercise all powers and do all things which may be exercised or done by the Data Centre.

Administrative Powers of Chief Executive Officer.

9. (1) The Central Government may, by order, remove from office the Chief Executive Officer or other member, if the Chief Executive Officer or such other member, as the case may be –

Removal and suspension of Members.

- (a) has been adjudged an insolvent; or
- (b) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude; or
- (c) has become physically or mentally incapable of acting as a member; or

- (d) has acquired such financial or other interest, as is likely to affect prejudicially his functions as a member; or
- (e) has so abused his position, as to render his continuance in office prejudicial to the public interest; or
- (f) has engaged at any time during his term of office in any other employment. 5
- (g) has been accused of any misconduct during his term of office.
- (2) No member under sub-section (1) shall be removed from his office because of reasons mentioned in clauses (1)(b) to (1)(g), except by an order of the Central Government, after an inquiry, held in accordance with the procedure prescribed in this behalf by the Central Government, comes to the conclusion that the member ought on any such ground be removed. 10
10. (1) The Data Centre may acquire or hold property necessary to meet its objectives under this Act. Holding of property by the Data Centre.
- (2) Notwithstanding anything contained in any other act for the time being in force, the Data Centre shall not be liable to pay tax on property specified in subsection (1). 15
11. Transparency in functioning.
- The Data Centre shall ensure transparency while exercising its powers and discharging its functions, *inter alia*, - - 20
- (a) by holding due consultations with appropriate Regulator;
- (b) by allowing appropriate Regulator to make their submissions to the Data Centre; and
- (c) by making decisions of the Data Centre documented.
12. (1) The Data Centre may appoint such other officers and employees as it considers necessary for the efficient discharge of its functions under this Act. Officers and employees of the Data Centre.
- (2) The term and other conditions of service of officers and employees of the Data Centre appointed under sub-section (1) shall be as such as may be determined by regulations.
13. (1) The Data Centre shall meet at such places and times and observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at its meetings), as may be provided by regulations. Meetings. 30
- (2) The Chief Executive Officer, if for any reason, is unable to attend a meeting of the Data Centre, any other member chosen by the members present from amongst themselves at the meeting, shall preside at the meeting. 35
- (3) All questions which come up before any meeting of the Data Centre shall be decided by a majority of votes of the members present and voting and, in the event of an equality of votes, the Chief Executive Officer or the member presiding shall have the right to exercise a second or casting vote.

- (4) If any member, who is a director of a company and who as such director, has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the Data Centre, he shall, as soon as possible, after relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting and such disclosure shall be recorded in the proceedings of the Data Centre, and the member shall not take part in any deliberation or decision of the Data Centre with respect to that matter.

14. No Act or proceedings of the Data Centre shall be invalid merely by reason of –
- (a) any vacancy in, or any defect in, the constitution of the Data Centre; or
 - (b) any defect in the appointment of a person acting as a member of the Data Centre; or
 - (c) any irregularity in the procedure of the Data Centre not affecting the merits of the case.

Vacancies, etc. not to invalidate proceedings of Data Centre.

CHAPTER 4

FINANCE, ACCOUNTS AND AUDIT

15. (1) There shall be constituted a fund to be called the Financial Data Management Centre Fund and there shall be credited thereto, –
- (a) all Government grants, fees and charges received by the Data Centre.
 - (b) all sums received by the Data Centre from such other source as may be decided upon by the Central Government.
- (2) The fund shall be applied for meeting, –
- (a) the salaries, allowances and other remuneration of the Chief Executive Officer and other members and officers and other employees of the Data Centre.
 - (b) other expenses of the Data Centre in connection with the discharge of its functions and for the purposes of this Act.

Fund.

16. (1) The Data Centre shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.
- (2) The accounts of the Data Centre shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Data Centre to the Comptroller and Auditor-General of India.
- (3) The Comptroller and Auditor-General of India and any other person appointed by him in connection with the audit of the accounts of the Data Centre shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the officers of the Data Centre.

Accounts and audit.

- (4) The accounts of the Data Centre as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and the Central Government shall cause the same to be laid before each House of Parliament. 5
17. (1) The Data Centre shall, within ninety days after the end of each financial year, submit to the Central Government a report in such form, as may be prescribed, giving a true and full account of its activities, policy and programmes during the previous financial year. Returns and reports.
- (2) A copy of the report received under sub-section (1) shall be laid, as soon as may be after it is received, before each House of Parliament. 10
18. The Central Government may, after due appropriation made by Parliament by law in this behalf, make to the Data Centre grants of such sums of money as it may think fit for being utilized for the purposes of this Act. Grants.

CHAPTER 5

15

FINANCIAL SYSTEM DATABASE

19. (1) The Data Centre shall establish an electronic financial system database in India. Establishment of the financial system database.
- (2) The Data Centre shall be in charge of the day-to-day operations, maintenance and updating of the financial system database and such other functions as may be specified. 20
- (3) The Data Centre shall analyse the financial regulatory data in the financial system database to provide such analytical support to the Council as may be prescribed.
- (4) The Data Centre shall maintain such internal controls between its functions of collecting and analysing financial regulatory data, as may be specified. 25

CHAPTER 6

INITIAL DATA SUBMISSION PROCESS

20. (1) The Data Centre and appropriate Regulator shall set out the manner in which the financial regulatory data held by the appropriate Regulator is to be submitted to the Data Centre, in accordance with section 31. Submission of financial regulatory data to the financial system database.
- (2) Each appropriate Regulator shall submit to the Data Centre the financial regulatory data required to be submitted to it by a financial service provider as soon as possible on receipt of such financial regulatory data. 30

CHAPTER 7

FINANCIAL REGULATORY DATA

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21. (1) Where the financial service provider is required to submit the financial regulatory data to an appropriate Regulator as specified in Schedule 1, such financial regulatory data shall be submitted,- Submission of financial regulatory data by a financial service provider to the financial system database.

- (a) in electronic form, unless such data is in a form which cannot be adequately converted into electronic form; and
- (b) through the financial system database.
- (2) Nothing in this section restricts the appropriate Regulator from maintaining a separate database of financial regulatory data that may be transmitted to it by the financial system database.
22. (1) The Data Centre may charge such fees to the appropriate Regulator, for collecting, storing and providing access to the data contained in the financial system database as may be specified in consultation with appropriate Regulator and the Central Government.
- (2) The provisions of this section shall be effective from such date as may be notified by the Central Government, in consultation with the appropriate Regulator.
23. (1) The Data Centre and each Regulator shall in accordance with section 31 coordinate and specify standardised formats for submission of financial regulatory data.
- (2) Each appropriate Regulator shall require financial service providers regulated by it, to submit financial regulatory data in the format specified under subsection (1).
24. Notwithstanding anything contained in this Act or any other law, powers, functions and authority of the appropriate Regulator under the relevant acts applicable to the appropriate Regulator shall remain unaffected.
- Levy and collection of fees by the Data Centre.
- Standardisation of formats for submission of financial regulatory data.
- Regulatory powers of Regulators unaffected.

CHAPTER 8

ACCESS TO FINANCIAL REGULATORY DATA

25. (1) The Data Centre may access and use the information stored in the financial system database only for the purpose of performing its functions under this Act in such manner as may be specified.
- (2) The Data Centre shall ensure adequate safeguards to protect the financial regulatory data provided by the appropriate Regulator in terms of the relevant enactments applicable to the said regulator.
- (3) The Data Centre shall make regulations governing the terms and manner in which authorised employees of the Data Centre may access the data contained in the financial system database.
26. The Data Centre, Council and each appropriate Regulator shall in accordance with section 31 or section 32, as the case may be, agree on the terms on which the Council or an appropriate Regulator, as the case may be, may submit or access the financial regulatory data contained in the financial system database.
- Access to data by the Data Centre.
- Access to data by the Central Government and the Regulators.

CHAPTER 9

OFFENCES

27. (1) If any person deliberately, –
- Offences in relation to financial system database.

- (a) without being authorised to do so or otherwise in contravention of the rules and regulations made under this Act, accesses or causes access, or denies or causes denial of access, to the data contained in the financial system database; or
- (b) without being authorised to do so, downloads, extracts, copies, or reproduces in any form, the data contained in the financial system database; or
- (c) introduces or causes to be introduced, any computer virus or other computer contaminant into the financial system database; or
- (d) damages or causes the damage of any data contained in the financial system database; or
- (e) without authorisation, disrupts or causes disruption to the functioning of the financial system database; or
- (f) damages, destroys, deletes, alters, diminishes in value or utility, or affects by any means, the data contained in the financial system database; or
- (g) provides any assistance to any person to do any of the acts mentioned above,

such person shall be punishable with imprisonment for a term which shall not be less than 3 years, but which may extend to ten years or with fine, which shall not be less than rupees one lakh but may extend to the higher of three times the loss caused by the person or three times the gain made by the person. Provided that if the loss caused or the gain made by the person cannot be reasonably determined, the fine may extend upto rupees one crore.

28. (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:
Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.
- (2) Notwithstanding anything contained in subsection (1), where an offence under this act has been committed by a company and it is provided that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.
- Explanation:* For the purposes of this section, –
- (a) “company” means any body corporate and includes a firm or other association of individuals; and
 - (b) “director”, in relation to a firm, means a partner in the firm.
29. (1) No court shall take cognizance of any offence punishable under this Act made thereunder, save on a complaint made by the Central Government.
- (2) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), no offence under this Act shall be taken cognizance of and tried by a court inferior to a Court of Session having jurisdiction over the area in which the offence is committed;

Offences by companies.

Institution of proceedings for offences.

- (3) The Central Government may appoint a Special Public Prosecutor for conducting prosecution under this Act.
- (4) A person shall not be qualified to be appointed a Special Public Prosecutor under this section unless he has been in practice as an advocate for not less than seven years, under the Union or a State, requiring special knowledge of law.
- (5) Every person appointed as a Special Public Prosecutor under this section shall be deemed to be a Public Prosecutor within the meaning of clause(u) of Section 2 of the Code of Criminal Procedure, 1973 (2 of 1974) and the provisions of the Code of Criminal Procedure shall have effect accordingly.
- (6) Save as otherwise provided in this Act, the provisions of the Code of Criminal Procedure, 1973 (2 of 1974) shall apply to all proceedings under this Part.
30. Notwithstanding anything contained in section 320 of the Code of Criminal Procedure, 1973 (2 of 1974), any offence punishable under this Act, may, before or after the institution of any proceeding, be compounded with the permission of the Court before which such prosecution or appeal is pending.

Compounding of offences.

CHAPTER 10

MEMORANDA OF UNDERSTANDING

31. (1) The Data Centre and each appropriate Regulator shall enter into a memorandum of understanding which describes in general terms -
- (a) the roles and responsibilities of the Data Centre and the appropriate Regulator who is party to the memorandum; and
- (b) the manner in which each party intends to comply with the obligations set forth in the memorandum.
- (2) The memorandum may, in particular, contain provisions dealing with the obligations to be complied with in respect of -
- (a) setting up of systems and roles and responsibilities of Data Centre and appropriate Regulator to enable the submission of financial regulatory data by the appropriate Regulator to the Data Centre as under section 20 and section 37(2);
- (b) co-ordination and development of standardised formats for submission of financial regulatory data as required under section 23(1).
- (c) the roles and responsibilities of the Data Centre and the appropriate Regulator for the purpose of performing their functions under section 20 and section 21(1);
- (d) as required by section 46, the manner in which financial regulatory data shall be given the same level of confidentiality as applicable under the relevant acts applicable to the appropriate Regulator.
32. (1) The Data Centre and Council shall enter into memorandum of understanding which describes in general terms -
- (a) the roles and responsibilities of the Data Centre and the Council; and
- (b) the manner in which each party intends to comply with the obligations set forth in the memorandum.

Memorandum of Understanding between Data Centre and appropriate Regulator.

Memorandum of Understanding between Data Centre and the Council.

(c) the manner in which Council may access the financial regulatory data contained in the financial system database as per section 26.

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| 33. | The memoranda entered by the Data Centre shall be reviewed on an annual basis. | Review of Memoranda of Understanding. |
| 34. | The terms and conditions of the memorandum of understandings referred in section 31 and section 32 may be amended at any time, subject to mutual agreement of the parties. | Changes to Memorandum of Understanding. |
| 35. | The memorandum of understandings referred in section 31 and section 32 shall be in the public domain in a manner that may be prescribed. | Publication of Memoranda of Understanding. |
| 36. | (1) If any difference of opinion arises with respect to any provisions of the MoU entered between the regulators and the Data Centre, such difference of opinion shall be referred to the Council. | Dispute Resolution.
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| | (2) The Council shall follow such procedure as it may consider expedient and resolve such difference of opinion as soon as possible. | |
| | (3) All issues which come up before the Council shall be decided by a majority of votes of the members present and voting, in the event of an equality of votes, the Chairman of the Council or the member designated by the Chairman presiding the meeting shall have the right to exercise a second or casting vote. | 15 |

CHAPTER 11

MISCELLANEOUS

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| 37. | (1) Each appropriate Regulator shall submit the financial regulatory data held by it on the date of notification of this provision, within three years from the date on which this provision is notified. | Transition of existing financial regulatory data. |
| | (2) The Data Centre and each appropriate Regulator shall in accordance with Section 31 set out the manner in which the financial regulatory data held by the appropriate Regulator shall be submitted to the Data Centre. | 25 |
| 38. | Notwithstanding anything contained in -
(a) the Wealth-tax Act, 1957;
(b) the Income tax Act, 1961;
(c) or any other enactment for the time being in force relating to tax on wealth, income, profits or gains,

the Data Centre shall not be liable to pay wealth-tax, income-tax, service tax or any other tax in respect of its wealth, income, profits or gains derived. | Exemption from tax on wealth, income, profits and gains.

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| 39. | The members, officers and other employees of the Data Centre or that of appropriate Regulator shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants within the meaning of section 21 of the Indian Penal Code, 1860 (45 of 1860). | Members, officers and employees of the Data Centre to be public servants.
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40. No suit, prosecution or other legal proceeding shall lie against the Central Government or any officer of the Central Government, or member, officer or other employee of the Data Centre, or appropriate Regulator or person authorised by the appropriate Regulator for anything done or intended to be done in good faith under this Act or the rules or regulations made thereunder.
- Protection of action taken in good faith.
41. (1) Without prejudice to the foregoing provisions of this Act, the Data Centre shall, in exercise of its powers or the performance of its functions under this Act, be bound by such directions on questions of policy as the Central Government may provide in writing to it from time to time:
- Power of Central Government to issue directions.
- 10 Provided that the Data Centre shall, as far as practicable, be given an opportunity to express its views before any direction is given under this sub-section.
- (2) The decision of the Central Government on whether a question is one of policy or not shall be final.
42. (1) If at any time the Central Government is of the opinion that –
- Power of Central Government to supersede Data Centre.
- 15 (a) on account of a grave emergency, the Data Centre is unable to discharge the functions and duties imposed on it by or under the provisions of this Act; or
- (b) the Data Centre has persistently made default in complying with any direction issued by the Central Government under this Act or in the discharge of the functions and duties imposed on it by or under the provisions of this Act and as a result of such non-compliance the financial position of the Data Centre or the administration of the Data Centre has deteriorated; or
- 20 (c) circumstances exist which render it necessary in the public interest to do so,
- 25 the Central Government, may, by notification, supersede the Data Centre for a period, not exceeding six months, as may be prescribed in the notification.
- (2) Upon the publication of a notification under sub-section (1) superseding the Data Centre–
- 30 (a) all the members shall, as from the date of supersession, vacate their offices;
- (b) all the powers, functions and duties which may, by or under the provisions of this Act, be exercised or discharged by or on behalf of the Data Centre, shall, until the Data Centre is reconstituted under sub-section (3), be exercised and discharged by such person or persons as the Central Government may direct; and
- 35 (c) all property owned or controlled by the Data Centre shall, until the Data Centre is reconstituted under sub-section (3), vest in the Central Government.
- 40 (3) On the expiration of the period of supersession specified in the notification issued under sub-section (1), the Central Government may reconstitute the Data Centre by a fresh appointment and in such case any person or persons who vacated their offices under clause (2)(a) of sub-section (2), shall not be deemed disqualified for appointment.
- 45 (4) The Central Government may, at any time before the expiry of the period of supersession, take action under sub-section (3).

- (5) The Central Government shall as soon as possible cause a notification issued under sub-section (1) and a full report of any action taken under this section and the circumstances leading to such action to be laid down before each House of Parliament.

43. (1) The Central Government may, by notification, make rules for carrying out the purposes of this Act. Power to make rules.
- (2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely –
- (a) the manner in which Data Centre shall provide analytical support to the Council under clause 4(2)(c) of sub-section 4(2) of section 4 and sub-section 19(3) of section 19; 10
 - (b) additional functions to be performed by Data Centre under clause 4(2)(d) of sub-section 4(2) of section 4;
 - (c) the salary and allowances payable to, and other terms and conditions of service of the members as under section 6; 15
 - (d) the manner of maintaining accounts and other relevant records and preparing an annual statement of accounts as under sub-section 16(1) of section 16;
 - (e) the manner of furnishing of the report required to be submitted under subsection 17(1) of section 17 20
 - (f) the manner in which the Data Centre shall establish internal controls between its data collection and data analysis functions as under sub-section 19(4) of section 19;
 - (g) such other matter as may be appropriate.
44. (1) The Data Centre may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the purposes of this Act. Power to make regulations.
- (2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely -
- (a) the grounds and tenor of inquiry against a member as under section 9(2);
 - (b) the term and other conditions of service of officers and employees of the Data Centre as under section 12(2); 30
 - (c) the time and place and manner of conducting meetings as under section 13(1).
 - (d) other functions of Data Centre as under section 19(2);
 - (e) manner in which Data Centre will maintain internal controls between its functions of collecting data and analysing data as under section 19(4); 35
 - (f) the quantum of fee to be charged by the Data Centre from the appropriate Regulator for collecting, storing and providing access to the data contained in financial system database as under section 22(1);
 - (g) standardised formats for submission of financial regulatory data as under section 23(1); 40
 - (h) the manner of accessing and using the information stored in the financial system database by the Data Centre as under section 25(1);
 - (i) the terms and manner of accessing the data contained in the financial system database by the authorised employees of the Data Centre as under section 25(3); 45

(j) any other matter which is required to be, or may be, specified by regulations or in respect of which provision is to be made by regulations.

45. Notwithstanding anything contained in any law, the financial regulatory data contained in the financial system database of the Data Centre shall be presumed to be the filings of the financial service provider to the appropriate Regulator and shall in all legal proceedings be received as prima facie evidence and shall be admitted as evidence as the original entry itself is now by law admissible.
46. Notwithstanding anything contained in any other law, financial regulatory data contained in the financial system database of the Data Centre shall be given the same level of confidentiality as provided under the relevant acts applicable to the appropriate Regulator, and subject to section 25 and section 26, access to financial regulatory data by any person shall be regulated as per the provisions the relevant acts applicable to the appropriate Regulator.
47. (1) Every rule and regulation made under this Act, shall be laid before each House of Parliament, as soon as may be possible, after it is made, for a total period of thirty working days, while it is in session.
- (2) In calculating the thirty working days period, no account shall be taken of any time during which the Parliament is dissolved or prorogued.
- (3) A rule or regulation shall be deemed to be approved by Parliament at the expiry of thirty working days unless, before the end of that period, both Houses of Parliament agree that such rule or regulation.
- (a) shall not be made, in which case that rule or regulation shall be of no effect; or
- (b) shall be made with certain modifications, in which case that rule or regulation shall come into effect in the modified form.
- (4) The annulment or modification of a rule or regulation by the Parliament shall not affect the validity of anything previously done under that rule or regulation.
48. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty:
- Provided that no order shall be made under this section after the expiry of five years from the commencement of this Act.
- (2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.
49. Save as otherwise provided herein above the provisions of this Act shall be in addition to and not in derogation of the provisions of any other law for the time being in force.

Legal validity of financial regulatory data in the financial system database.

Confidentiality of financial regulatory data.

Laying rules, bye-laws, etc. before Parliament.

Power to remove difficulties.

Application of other laws not barred.

50. (1) The following clause shall be added as clause (e) in sub-section (2) of section 45E of the Reserve Bank of India Act, 1934:

Amendments to the Reserve Bank of India Act, 1934.

“(e) the disclosure of any credit information by the Bank or a banking company to the Financial Data Management Centre established under the Financial Data Management Centre Act, 2016.”

- (2) The following clause shall be added as clause (e) in sub-section (2) of section 45NB of the Reserve Bank of India Act, 1934:

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“(e) the disclosure of any information relating to the non-banking financial company, by the Bank or the non-banking financial company, to the Financial Data Management Centre established under the Financial Data Management Centre Act, 2016.”

51. (1) The following amendments shall be made to sub-sections (1) and (2) of section 27 of the Banking Regulation Act, 1949 (10 of 1949):

Amendments to the
Banking Regulation
Act, 1949.

- (a) Sub-section (1) of section 27 shall be amended as follows -

“(1) Every banking company shall, before the close of the month succeeding that to which it relates, submit to the Data Centre, as required by section 20 or section 21 of the Financial Data Management Centre Act, 2016, a return in the prescribed form and manner showing its assets and liabilities in India as at the close of business on the last Friday of every month or if that Friday is a public holiday under the Negotiable Instruments Act, 1881 (26 of 1881), at the close of business on the preceding working day.”

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- (a) Sub-section (2) of section 27 shall be amended as follows -

“(2) The Reserve Bank may at any time direct a banking company to furnish to Data Centre within such time as may be specified by the Reserve Bank, with such statements and information relating to the business and affairs of the banking company (including any business or affairs which such banking company is concerned) as Reserve Bank may consider necessary or expedient to obtain for the purposes of this Act, and without prejudice to the generality of the foregoing power may call for information to be submitted to the Data Centre every half-year regarding the investments of a banking company and the classification of its advances in respect of industry, commerce and agriculture.”

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CHAPTER 13

SCHEDULE

Schedule 1: Appropriate Regulator

See section 2(2)

For the purposes of this Act, the appropriate Regulator shall be, –

- 5 (1) the Reserve Bank of India, as constituted under sub-section (1) of section 3 of the Reserve Bank of India Act, 1934 (2 of 1934), for a financial service provider regulated by the Reserve Bank of India;
- 10 (2) the Insurance Regulatory and Development Authority of India, as established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority of India Act, 1999 (41 of 1999), for a financial service provider regulated by the Insurance Regulatory and Development Authority of India;
- (3) the Securities and Exchange Board of India, as established under sub-section (1) of section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), for a financial service provider regulated by the Securities and Exchange Board of India; and
- 15 (4) the Pension Fund Regulatory and Development Authority, as established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013), for a financial service provider regulated by the Pension Fund Regulatory and Development Authority.
- (5) Any other regulator as notified by the Central Government.