

PRESS RELEASE

27th Meeting of the Financial Stability and Development Council (FSDC) held on 8th May, 2023

The 27th Meeting of the Financial Stability and Development Council (FSDC) was held today under the Chairpersonship of the Union Finance Minister, Smt. Nirmala Sitharaman, **for the first time after the announcement of the Budget 2023-24.**

2. The meeting was attended by Hon'ble Dr. Bhagwat Kishanrao Karad, MoS (Finance); Hon'ble Shri Pankaj Chaudhary, MoS (Finance); Shri Shaktikanta Das, Governor, Reserve Bank of India; Dr. T. V. Somanathan, Finance Secretary and Secretary, Department of Expenditure, Ministry of Finance; Shri Ajay Seth, Secretary, Department of Economic Affairs, Ministry of Finance; Dr. Vivek Joshi, Secretary, Department of Financial Services, Ministry of Finance; Shri Sanjay Malhotra, Secretary, Department of Revenue, Ministry of Finance; Dr. Manoj Govil, Secretary, Ministry of Corporate Affairs; Dr. V. Anantha Nageswaran, Chief Economic Adviser, Ministry of Finance; Ms. Madhabi Puri Buch, Chairperson, Securities and Exchange Board of India; Shri Debasish Panda, Chairperson, Insurance Regulatory and Development Authority of India; Dr. Deepak Mohanty, Chairperson, Pension Fund Regulatory and Development Authority; Shri Ravi Mital, Chairperson, Insolvency and Bankruptcy Board of India, Shri Injeti Srinivas, Chairperson, International Financial Services Centres Authority, and the Secretary of the FSDC, Department of Economic Affairs, Ministry of Finance.


3. It was discussed that the policy and legislative reform measures required to further develop the financial sector may be formulated and implemented expeditiously to not only increase the financial access of the people, but also increase their overall economic well-being.

4. Union Finance Minister advised that:

- **Regulators should maintain a constant vigil as ensuring ‘financial sector stability is a shared responsibility’ of the regulators.** Regulators must take appropriate and timely action to mitigate any vulnerability and strengthen financial stability.
- Regulators should adopt a **focused approach to reduce the compliance burden further and ensure a streamlined and efficient regulatory environment.** The progress achieved in this regard shall be reviewed by the Union Finance Minister with each regulator in June 2023.
- The **regulators need to be proactive and ensure cyber-security preparedness of the information technology systems** to reduce the risk of cyber-attacks, protect sensitive financial data, and maintain overall system integrity, **thus safeguarding the stability and resilience of the Indian financial ecosystem.**
- Regulators should conduct a **special drive to facilitate the settlement of unclaimed deposits and claims in the financial sector** across all segments, such as banking deposits, shares and dividends, mutual funds, insurance, etc.
- **Action Taken Report on Budget announcements made since 2019 was discussed.** A focused approach should be adopted by the regulators to implement the announcements made in the Budget 2023-24, for which timelines were also decided.

5. The Council, inter alia, also deliberated on Early Warning Indicators for the economy and our preparedness to deal with them, Reducing Compliance Burden on the regulated entities in the financial sector by Improving Regulatory Quality, Debt Levels of Corporates and Households in India, Simplification and Streamlining of KYC Framework to meet the needs of

Digital India, Seamless Experience for Retail Investors in Government Securities, Bimakrit Bharat - Unique Value Proposition to take insurance to last mile, and support required in terms of resolving inter-regulatory issues for GIFT IFSC to play strategic role in Atmanirbhar Bharat. The Council also took note of the activities undertaken by the FSDC Sub-Committee chaired by the RBI Governor and the action taken by members on the past decisions of the FSDC.


(Dr. Shashank Saksena)

Senior Adviser & Secretary (FSDC)

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Press Information Officer

Press Information Bureau

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