

PRESS RELEASE

23rd Meeting of the Financial Stability and Development Council (FSDC), 15th December, 2020

The 23rd Meeting of the Financial Stability and Development Council (FSDC) was held today under the Chairpersonship of the Union Finance Minister, Smt. Nirmala Sitharaman.

2. The meeting was attended by Hon'ble Shri Anurag Thakur, MoS, Finance, Shri Shaktikanta Das, Governor, Reserve Bank of India; Shri Ajay Bhushan Pandey, Finance Secretary/Secretary, Department of Revenue, Ministry of Finance; Shri Tarun Bajaj, Secretary, Department of Economic Affairs, Ministry of Finance; Shri Debasish Panda, Secretary, Department of Financial Services, Ministry of Finance; Shri Ajay Prakash Sawhney, Secretary, Ministry of Electronics and Information Technology; Shri Tuhin Kanta Pandey, Secretary (*In charge*), Ministry of Corporate Affairs; Dr. Krishnamurthy V. Subramanian, Chief Economic Adviser, Ministry of Finance; Shri Ajay Tyagi, Chairperson, Securities and Exchange Board of India; Shri Subhash Chandra Khuntia, Chairperson, Insurance Regulatory and Development Authority of India; Shri Supratim Bandyopadhyay, Chairperson, Pension Fund Regulatory and Development Authority; Dr. M. S. Sahoo, Chairperson, Insolvency and Bankruptcy Board of India and Shri Injeti Srinivas, Chairman International Financial Services Centres Authority and

other senior officers of the Government of India and Financial Sector Regulators.

3. The Meeting reviewed the major macroeconomic developments and Financial Stability issues (global and domestic) with special reference to vulnerability related issues and noted that the policy measures taken by the Government of India and the financial sector regulatory authorities have ensured faster economic recovery in India as reflected in the reduced contraction of GDP in Q2 of 2020-21. The economy has gained momentum and the path to recovery will be faster than what was predicted earlier. The Discussions were held on further measures which may be required to be taken to ensure consistent support of the financial sector for achieving faster real economic growth and achieving the overall macroeconomic targets, while continuing to maintain financial stability. The Council also discussed the budget proposals submitted by RBI and other Regulators.

4. It was noted that there is a need to keep a continuous vigil by Government and all regulators on the financial conditions that could expose financial vulnerabilities in the medium and long-term.

5. The Council discussed the challenges involved in smooth transition of London Interbank Offer Rate (LIBOR) based contracts and noted that a multipronged strategy involving relevant stakeholder institutions and Departments is required in this regard.

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


(Dr. Shashank Saksena)

Senior Economic Adviser & Secretary (FSDC)

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