

Government of India
Ministry of Finance
Department of Economic Affairs

**Press Release on the Report of the Committee to draft Code on Resolution of
Financial Firms**

The Finance Minister in Para 90 of his Budget Speech 2016-17, had announced:

“A systemic vacuum exists with regard to bankruptcy situations in financial firms. A comprehensive Code on Resolution of Financial Firms will be introduced as a Bill in the Parliament during 2016-17. This Code will provide a specialised resolution mechanism to deal with bankruptcy situations in banks, insurance companies and financial sector entities. This Code, together with the Insolvency and Bankruptcy Code 2015, when enacted, will provide a comprehensive resolution mechanism for our economy”.

2. Pursuant to the above budget announcement, a Committee was set up under the Chairmanship of Shri Ajay Tyagi, Additional Secretary, Department of Economic Affairs, Ministry of Finance on 15th March 2016 with representatives from the Ministry of Finance, the financial sector regulatory authorities and the Deposit Insurance and Credit Guarantee Corporation with instructions to submit a Report and a draft Code.

3. The Committee has submitted its Report and a Draft Bill known as ‘The Financial Resolution and Deposit Insurance Bill, 2016’. A copy of the Report of the Committee and the Draft Bill along with an explanatory note explaining the key legal provisions of the Bill are hosted on the home page of the Ministry of Finance at >www.finmin.nic.in<.

4. All stakeholders concerned / public are requested to forward comments / suggestions that they may wish to submit on the Draft Bill by 14th October 2016 by e-mail to >parveen.k63@gov.in < or in hard copy to Shri Parveen Kumar, Under Secretary (FSLRC), Department of Economic Affairs, Ministry of Finance, Room No. 48, North Block, New Delhi-110001. The decision of the Government with respect to the Report and the Draft Bill will be taken later after receipt of public / stakeholders comments and after following due procedure thereafter.

F. No. A.11017/1/2015-FSLRC

New Delhi, Dated: 28.9.2016

(Anwar H. Shaik)
Director (FSLRC)