

Financial Stability and Development Council

July 8, 2019

Recently 20th meeting of the Financial Stability and Development Council (FSDC) was held under the Chairmanship of the Union Minister of Finance. The Meeting reviewed the current global and domestic economic situation and financial stability issues including, inter-alia, those concerning Banking and NBFCs.

During the meeting The Council apprised of the progress made towards setting-up of the Financial Data Management Centre (FDMC) to facilitate integrated data aggregation and analysis as also a Computer Emergency Response Team (CERT-Fin) towards strengthening the cyber security framework for the financial sector. analysis as also a Computer Emergency Response Team (CERT-Fin) towards strengthening the cyber security framework for the financial sector.

About FSDC

Formation

- It was **set up by the government of India in 2010 to strengthen and institutionalize the mechanism for maintaining financial stability and enhancing inter-regulatory coordination.**
- FSDC has replaced the **High Level Coordination Committee on Financial Markets (HLCCFM)**, which was facilitating regulatory coordination, though informally, prior to the setting up of FSDC.
- The technical committee under HLCCFM for RBI regulated entities, though at a modest level, had set up a Financial Conglomerate Monitoring Mechanism since 2004. The secretariat of HLCCFM was in Ministry of Finance.

Composition

- **Chairperson: The Union Finance Minister of India**

- Members:

1. Governor Reserve Bank of India (RBI),
2. Finance Secretary and/ or Secretary, Department of Economic Affairs (DEA),
3. Secretary, Department of Financial Services (DFS),
4. Secretary, Ministry of Corporate Affairs,
5. Secretary, Ministry of Electronics and Information Technology,
6. Chief Economic Advisor, Ministry of Finance,
7. Chairman, Securities and Exchange Board of India (SEBI),
8. Chairman, Insurance Regulatory and Development Authority (IRDA),
9. Chairman, Pension Fund Regulatory and Development Authority (PFRDA),
10. Chairman, Insolvency and Bankruptcy Board of India (IBBI).

- Additional Secretary, Ministry of Finance, DEA, will be the Secretary of the Council.

- The Chairperson may invite any person whose presence is deemed necessary for any of its meeting(s).

Mandate

Without prejudice to the autonomy of regulators, this Council would monitor macro prudential supervision of the economy, including the functioning of large financial conglomerates. It will address inter-regulatory coordination issues and thus spur financial sector development. It will also focus on financial literacy and financial inclusion. What distinguishes FSDC from other such similarly situated organizations across the globe is the additional mandate given for development of financial sector