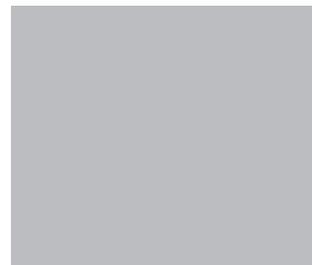


NiSM UPDATE

Jul 2014 to Dec 2014

Volume 5 / Issue 27

4TH ANNUAL CONVOCATION





FOREWORD

In this issue of NISM Update, we bring to you some details of our activities, we conducted the 4th annual convocation of PGPSM, PGCSM, CSL and CFERM students. Mr. H. R. Khan-Deputy Governor of RBI was the Chief Guest and Mr. Rajeev Kumar Agarwal, Whole Time Member was the Presiding Officer for this special ceremony.

NISM, in its endeavor to enhance the quality of securities markets conducted several Management Development Programs for various market participants, regulators and intermediaries. These programs included Training on 'Motivation, Team Building & Leadership, Workshop on Macro Economics, Overview of Securities Market and eight programs for South Indian Bank in various aspects of banking.

School for Securities Education designed an exclusive certificate program in treasury management – CTM, for the aspiring students and working executives in financial markets and banking domain, expecting an exposure in treasury management.

The School for Securities Information and Research at NISM continues to contribute to the securities markets by publishing papers in various journals and conferences. Our esteemed faculty members have been selected to present their research work at International Conferences. Three students from Post Graduate Program in Securities Markets

were selected for presentation and publication of their papers in the 3rd annual Conference on Legal Scholarship, organized by Symbiosis Law School, Pune.

During the past six months, School for Corporate Governance has organized various training program for stakeholders in securities markets. A Workshop on Proposed Clause 36 & Revised Clause 49 of Listing Agreement, a Workshop on Financial Planning & Wealth Management and Train of Trainers Program on 'The National Framework on Business Responsibility' were part of these programs.

To incorporate the market changes and as part of the periodic review, NISM launched new certification examinations under various categories to ensure the market participants are kept abreast with the latest in regulations, products and processes. In association with ICICIdirect Centre for Financial Learning, NISM is now offering "Certification in Equity Trading and Investment" seen as the first, but a firm step towards building practical skills and expertise in securities markets.

Much has happened in the last few months at NISM and we have made an effort here to bring to you some of the important developments.

S Ghose

Sandip Ghose
Director, NISM

4th ANNUAL CONVOCATION 2014



The National Institute of Securities Markets (NISM) held the 4th Annual Convocation for its outgoing batch of School for Securities Education (SSE) on October 10, 2014 (Friday) to felicitate the successful students of Post Graduate Program in Securities Markets (PGPSM), Post Graduate Certificate in Securities Markets (PGCSM), Certificate in Financial Engineering and Risk Management (CFERM) and Certificate in Securities Law (CSL). The Convocation was held at MVMC Banquet Hall, Mahila Vikas Mandal, Colaba, Mumbai.

Mr. H R Khan, Deputy Governor, Reserve Bank of India was honoured the Chief Guest of the ceremony and Mr. Rajeev Kumar Agarwal, Whole-time Member, Securities and Exchange Board of India was honoured the Presiding Officer. Mr. Sandip Ghose, Director, NISM and Mr. G P Garg, Registrar, NISM shared the dais. At the gathering, there was representation from academia and industry: officers from SEBI, RBI, stock exchanges, banks, mutual funds, market intermediaries, stock-brokers and professionals were present on the occasion.

Mr. Sandip Ghose welcomed the gathering and enunciated how NISM works towards increased financial literacy through its academic programs. He outlined the functions and activities of its four major academic programs: PGPSM, PGCSM, CFERM and CSL.

Mr. H R Khan and Mr. Rajeev Kumar congratulated the newly graduated students and wished them success as they embark on a new phase of their life. Their speeches inspired the students to work with zeal and ethics and to bring laurels to their Alma Mater. They also awarded the successful students with Certificates.

The SBI Gold Medal for the topper in PGPSM was awarded to Ms. Swati Verma and the Canara Bank Medal for the topper in CFERM was awarded to Mr. Vaibhav Garg.

Certificates of Merit were also awarded to Mr. R Aditya Subramaniam of CSL and Mr. Akshat Madan of PGCSM.

Mr. G P Garg proposed the vote of thanks, expressing his gratitude towards the dignitaries for their inspirational speeches and the gathering for their enthusiastic participation.

ACTIVITIES AT NISM

SCHOOL FOR REGULATORY STUDIES & SUPERVISION (SRSS)

Outbound Programmes for SEBI Officers

NISM had conducted a two days training program on 'Motivation, Team Building & Leadership' for the officers of SEBI (Securities and Exchange Board of India). Fourteen programmes were organised exclusively for the officers of SEBI and this include eight outbound of two days duration each organised at Nasik. Sessions were handled by industry experts and the programme was well received by the participants. A group of 282 SEBI officers attended and made the program a grand success.



Furthermore, A two day Programme were organised on topics viz. Financial Statement Analysis, Algo and High Frequency Trading, Perspectives on Securities Laws, and Fixed Income Securities during the period and a group of 146 officers from SEBI attended the programme.

Workshop on Macro Economics

NISM has organised a five days programme for SEBI offices at SEBI Bhavan BKC, Mumbai during Nov 24-28, 2014. The program "Macroeconomics for Regulators" was organised for the benefit of officers in Grade A, B and C in SEBI. The objective of the program was to create a deeper understanding of the macroeconomic concepts and their

implications to the officers. The topics discussed include key Macroeconomic Concepts, Indicators, General Overview of Indian Economy, Monetary Policy, Fiscal Policy, Global Economy, External Sector, etc. The program got inaugurated in the hands of Shri Prashant Saran, WTM, SEBI and Valedictory address delivered by Shri Rajeev Kumar Agarwal, WTM, SEBI in a function chaired by Shri Sandip Ghose, Director, NISM.



Securities Market-An Overview

NISM had conducted a five days program for the officers in Grade B & C of Reserve Bank of India on the basis of 'Securities Markets – An Overview'. The five days program was organized at Hotel Tunga Regency, Vashi, Navi Mumbai on Oct 27-31, 2014. The prime objective of workshop was to



make participants aware and update on the various aspects of Securities Market by covering the major aspects like Primary and Secondary markets Operations, trading on stock exchange through simulation, Regulation and Supervision of Market Intermediaries, IPO process, Insider trading, Mutual Funds, Grievance Settlement Process, Risk management, etc. Thirty Six RBI officers from all over India attended the program. The program was inaugurated by Shri Sandip Ghose, Director. Certificates were distributed to the participants of the programme.

Programmes for South Indian Bank

NISM has organized eight training programmes exclusively for officers and staff of The South Indian Bank Ltd. These are two programmes on Retail Banking Products, two programmes on Credit Management, two programmes on Induction Program in Banking, one on Refresher Programme in Banking and last one on Bank Marketing.



These programmes were conducted at NISM premises, Vashi during July to Nov, 2014. Two hundred eleven SIB officers and staff from various branches of The South Indian Bank Ltd under their Mumbai, Pune and Ahmedabad regions participated in these programmes.

Workshop on Communication and Interpersonal Skills

A two day workshop on 'Communication and Interpersonal Skills' was organised for the benefit of NISM Staff on Nov 20-21, 2014 at NISM Premises Vashi. The program was inaugurated by Shri Sandip Ghose, Director. Thirty staff members of NISM attended the programme. Sessions were handled by industry experts and the programmes were well received by the participants. The key topics that were covered under this program included Business Writing, Public Speaking, Business Communication, Building Great Interpersonal Skills, Making Meetings Work & How to do Presentations etc.



SCHOOL FOR INVESTOR EDUCATION AND FINANCIAL LITERACY (SIEFL)

The School for Investor Education & Financial Literacy has organised 12 programmes during the period July – Nov 2014 under investor education in colleges and a total of 1573 students attended the programme. The colleges participated in the programme are mentioned below.

Sr. No.	Venue	Name of the College/Institute	No. of Participants
1	Vashi	FR. C Rodrigues Institute of Management Studies	30
2	Bengaluru	Government RC College of Commerce & Management	85
3	Bengaluru	KLE Society's S Nijalingappa College	60
4	Coimbatore	Shri Ramakrishna Engineering College	62
5	Kolhapur	Swami Vivekanand College	74
6	Saharanpur	HSR College	97
7	Saharanpur	NIIT Centre	67
8	Bengaluru	Maharani Lakshmi Ammani College	110
9	Bengaluru	Seshadripuram College	182
10	Chennai	Anna University	540
11	Chennai	St. Josephs College of Engineering	114
12	Hyderabad	Indian Institute of Management & Commerce	152
Total			1573

SOME GLIMPSES OF INVESTOR EDUCATION PROGRAMMES



Program
at
Anna
University
Campus,
Chennai



Programme
at
Seshadripuram
College,
Bangalore

Programme
at
IIMC,
Hyderabad



Programme
at
St. Josephs
College of
Engineering
Sholinganallur,
Chennai



SCHOOL FOR SECURITIES EDUCATION (SSE)

The School currently runs 4 programmes:

- Post Graduate Programme in Securities Markets (PGPSM) (1-year full-time)
- Post Graduate Certificate in Securities Markets (PGCSM) (1-year full-time)
- Certificate in Financial Engineering & Risk Management (CFERM) (1-year part-time)
- Certificate in Securities Law (CSL) (2.5 months, part-time)

PGPSM and PGCSM commenced in July 2014 with 62 students and 22 students respectively. In this Conceptual Phase, they received conceptual inputs in the form of: Economics, Mathematics, Statistics, Accounting, Corporate Finance, Financial Institutions & Markets and Corporate Laws. Organization & Management was also taught through the perspective of the Banking, Financial Services & Insurance (BFSI). In October, Term II, i.e. the Application Phase commenced, covering: Econometrics, Fixed Income Securities, Securities Analysis, Portfolio Management, Risk Management & Derivatives, Functional Aspects of Banking, Functional Aspects of Mutual Funds, and Taxation in Securities Markets. This curriculum makes the students industry-ready. Advanced Applications will be covered in Term III, from January 2015. For PGPSM, we had an intensive workshop on Business Communication, and a Psychometric Assessment Test. We had guest faculty from Morningstar and Deutsche Bank AMC. The film 'Too Big to Fail' was screened, to provide insights into the Global Financial Crisis of 2008.

A special Budget Session was conducted in the classroom. There was a demonstration on the usage of CMIE for extraction of corporate data. Two of our students are representing NISM as part of the Bloomberg Champion's Programme.

Our students participated in MDPs on Macro-Economics, Stock Broking Operations, Fixed Income Securities and

related topics. The Trading Simulator System, Simulated Market Trading (SMART) was inaugurated at NISM. We had a guest lecture by Mr. Bhaskaran of IIBI and Dr. Navin Punjabi of HR College on the Ease of Doing Business. NISM has embedded the Wealth Management Programme into its curriculum in Mutual Funds and Taxation. We had a guest lecture by Prof Neeraj Hatekar-Department of Economics, University of Mumbai, on the work of Nobel Prize Winner for Economics, Jean Tirole.

The 4th Annual Convocation was conducted on October 10, 2014 with Mr. H.R. Khan- Deputy Governor of RBI as the Chief Guest and Mr. Rajeev Kumar Agarwal as the Presiding Officer.

The students continue to receive exposure by attending various Conferences and Seminars. Students attended the Union Budget discussion meeting at Indian Merchants' Chamber, the AIWMI Credit Summit, the Capital Market Seminar at the Bombay Stock Exchange, the Wealth Management Convention by AAFM and also by CISI, Morningstar Investment Conference 2014 and the National Seminar on FSLRC. On a rotational basis, the entire class gets industry exposure.

The CFERM programme, which is mainly for working executives, commenced in July with 37 students, in two formats, with Format A being the weekend format (Saturday afternoons and Sundays) and Format B mainly for outstation students. It is an intensive, quant-based programme. The Basic Module, comprising Mathematics and Statistics has been completed, and in the Advanced Module, the coverage includes: Fixed Income Securities, Financial Economics, Applied Econometrics, Risk Management-I, Risk Management-II and Financial Engineering Applications.

NISM is actively engaged in discussions with key market intermediaries for designing customized programmes for durations ranging from 15 days to 1 year.

SCHOOL FOR SECURITIES INFORMATION & RESEARCH (SSIR)

Two Compendiums of Research Papers, in respect of 2012-13 and 2013-14 were placed before the Academic Council and the Board of Governors, representing the research work of the faculty, including international publications and international conferences. Mr Akhlaque Ahmad presented a paper: Integrated Option Pricing Models-An Application of Fourier Transforms, at the Steklov Institute of Mathematical Finance, St Petersburg, Russia, jointly with Moscow State University.

Dr. Poonam Singh (in addition to Prof. Sunder Ram Korivi received recognition as PhD Guide from Symbiosis International University, Pune).

The following papers were presented:

Prof. Korivi, together with Dr. S. Rachappa and Dr. K. Sudershan of IIM-K, presented a paper: Earnings Management During IPOs: Evidence from India at the 15th Annual Conference of the Asian Academic Accounting Association (AAAA). The 3 PGPSM students whose papers

are selected for presentation and publication in the 3rd Annual Conference on Legal Scholarship by Symbiosis Law School Pune are: Anay Kumar Shaw: Crowd-funding-The New era of Funding, Pooja Rani: Strengthening the Backbone of the Indian Economy: SME Exchange in India, A Global Comparative Study, Nandini Dubey: Effectiveness of SCORES-Whether it is Effective?

One of our academic staff, Kavitha Ranganathan, was conferred with her Doctorate, defending her PhD thesis on Behavioural Finance, in November 10, 2014.

NISM partnered with Morningstar India for a research project, on the Financial Advisory Gap.

The name of NISM and those of its research team: Prof Sunder Ram Korivi, Dr Poonam Singh, Dr Kavitha Ranganathan and Ms Shobana Krishnan are acknowledged in the FSLRC Report published by the Ministry of Finance, Government of India.

SCHOOL FOR CORPORATE GOVERNANCE

Workshop on Proposed Clause 36 & Revised Clause 49 of Listing Agreement

National Institute of Securities Market (NISM) jointly with Institute of Company Secretaries of India, ICSI-CCGRT has organized a one day Workshop on “Proposed Clause 36 & Revised Clause 49 of Listing Agreement” at Hotel Grand Hyatt, Mumbai on September 27, 2014.

Shri Prashant Saran, Whole Time Member, Securities and Exchange Board of India (SEBI) and Shri Sandip Ghosh, Director NISM inaugurated the programme. The keynote address was delivered by Shri Prashant Saran wherein he had emphasized on the need of building trust among all stakeholders of listed companies.

The First Technical Session was a Panel Discussion on “Critical Evaluation of Clause 49”. The details of panelist and topics covered by them are as under:

Sr. No.	Panelist	Topic covered
1	Shri Nawshri Mirza, Professional Independent Director	Role of Independent Directors
2	Shri Narayan Shankar, VP and CS, M&M	Related Party Transaction
3	Shri M. M. Chitale, Managing Partner, M. M. Chitale & Co	Evolution of Board
4	Shri Amit Tandon, DGM, SEBI	Regulatory Perspective

The second technical session was on “Disclosure based on Materiality and Price Sensitiveness” (Proposed Clause 36). The details of panelist and topics covered by them are as under:

Sr. No.	Panelist	Topic covered
1	Dr. V. R. Narsimhan, CEO, NSE	Stock Exchange Perspective
2	Ms. Shailashri Bhaskar, Consultant (Moderator)	Industry Trends
3	Ms. Savithri Parekh, Head Legal, Pidilite Industries	Industry Perspective
4	Ms. Harini Balaji, DGM, SEBI	Regulatory Perspective



Shri V.S. Sundaresan, CGM, SEBI delivered the final remarks, drawing the workshop to a conclusion. The event saw enthusiastic participation from the corporate sector making it a grand success.

Workshop on Financial Planning & Wealth Management

A three-day workshop titled “Financial Planning & Wealth Management” was organized by NISM, at NISM Premises, Vashi on Nov 20-22, 2014. The key objective of workshop was to convey participants about the various aspects to be considered carefully in the process of Financial Planning and Wealth Management.

This program included discussion on Need of Financial Planning, Financial Markets and Products, Risk & Reward, Insurance products, How to answer investors queries, Evaluation of Financial Products, Role of Digital Market, Regulatory Perspective, Operational Overview, Asset Allocation and Expectation from Advisors. The workshop was organised in association of Financial Intermediaries Association of India(FIAI) and attended by a group of Twenty eight Individual Financial Advisors (IFAs) and Employees of national Distributors viz: Aditya Birla, Standard Chartered Bank, Axis Bank, J M Financial, Karvy and Bajaj capital.



Training Of Trainers Program
The National Framework On Business Responsibility
(National Voluntary Guidelines On Social, Environmental & Economic Responsibilities For Business)



The two-day program titled “Training of Trainers” on The National Framework on Business Responsibility (National Voluntary Guidelines on Social, Environmental & Economic Responsibilities for Business) was held during December 3-4, 2014 at Hotel Royal Tulip, Kharghar, Navi Mumbai. It was jointly organized by Indian Institute of Corporate Affairs (IICA), German Cooperation Deutsche Zusammenarbeit (GIZ) and National Institute of Securities Market (NISM). The main objective of this program was to update trainers through with the understanding of concept, guiding principles and reporting framework of Business Responsibility. The trainers can in turn train and encourage

their member companies to discharge and report on their Business Responsibility. The program got inaugurated in the hands of Shri V.S. Sunderesan, CGM, SEBI, Mr. Vinod Nair, BSE Ltd. and Shri Sandip Ghose, Director, NISM.

Topics covered are as follows:

- BR: challenges & bottlenecks;
- Current status/trends on discharging business responsibility
- Marching ahead – Training member companies on BR
- Creating & Measuring “True Value”
- BRR Framework and its True Application

Speakers Profile:

- Mr VS Sundaresan, CGM, SEBI
- Mr Sandip Ghose, Director, NISM
- Ms Pooja Makhija, AGM, SEBI
- Ms Neha Kumar, Expert, GIZ
- Ms. Beroz Gazdar, Head Sustainability, Mahindra and Mahindra
- Mr. Ravi Costa, Partner, ERM
- Mr. Santhosh Jayaram, Director Advisory- Climate Change and Sustainability, KPMG

The workshop was attended by a group of thirteen participants from TISS, Centre for Labour Studies, Ambekar Institute for Labour Studies, National Productivity Council, PHD Chambers, Federation of Indian Micro, Small & Medium Enterprises (FISME), Centre for Responsible Business (CRB), Confederation of Indian Industry (CII), KPMG and BSE Ltd.

SCHOOL FOR CERTIFICATION OF INTERMEDIARIES (SCI)

1. Revision of NISM Certification Examinations

To incorporate the market changes and as part of the periodic review, NISM has updated and launched the following certification examinations:

- (a) NISM-Series-I: Currency Derivatives Certification Examination w.e.f. November 11, 2014
- (b) NISM-Series-III-A: Securities Intermediaries Compliance (Non-Fund) Certification Examination w.e.f. September 18, 2014
- (c) NISM-Series-IV: Interest Rate Derivatives Certification Examination w.e.f. October 01, 2014
- (d) NISM-Series-V-A: Mutual Fund Distributors Certification Examination w.e.f. October 21, 2014
- (e) NISM-Series-X-A: Investment Adviser (Level 1) Certification Examination w.e.f. October 13, 2014
- (f) NISM-Series-X-B: Investment Adviser (Level 2) Certification Examination w.e.f. January 21, 2015
- (g) NISM-Series-XII: Securities Markets Foundation Certification Examination w.e.f. October 30, 2014

2. Revision of NISM CPE Program

To incorporate the market changes and as part of the periodic review, NISM has updated and launched the following CPE Programs:

- (a) CPE Program for NISM-Series-I: Currency Derivatives Certification Examination w.e.f. October 24, 2014
- (b) CPE Program for NISM-Series-V-A: Mutual Fund Distributors Certification Examination w.e.f. August 11, 2014
- (c) CPE Program for NISM-Series-V-B: Mutual Fund Foundation Certification Examination w.e.f. September 11, 2014

3. Accreditation of Certification for Investment Advisers

NISM has granted accreditation to the following certifications under Regulation 7(2) of the SEBI (Investment Advisers) Regulations, 2013:

- (a) Chartered Wealth Manager (CWM) certification of the American Academy of Financial Management India Pvt. Ltd. (AAFMI India)

- (b) Certified Financial Planner (CFP) certification of the Financial Planning Standards Board India (FPSB India)
- (c) Associate Financial Planner (AFP) certification of the Financial Planning Standards Board India (FPSB India)
- (d) International Certificate in Wealth & Investment Management (India) Certification of Chartered Institute for Securities and Investment

4. Training Program on Stock Broker Operations

NISM has developed a 2-day training program on "Stock Broker Operations" for people engaged in different operational activities in the Stock Broker Firm. The objective of this program is to enhance the knowledge levels and skills of professionals who handle KYC and other Client On-boarding documentations; and are engaged in activities related to Trading, Clearing, Funds and Securities Settlement, Dispute resolution; and those related to Compliances and Reporting.

NISM has conducted 2 Stock Broker Operation Programs on October 11-12, 2014 and November 7-8, 2014. The program was well received by the participants working in the various operational areas brokerage houses.

5. Certification in Equity Trading and Investment

The Certification in Equity Trading and Investment is being jointly offered by National Institute of Securities Markets (NISM) and ICICI Direct Centre for Financial Learning (ICFL).

This 'Certification in Equity Trading and Investment' establishes the credibility of the students' skills on basic working of stock markets, process of placing and tracking orders or trades, and basic equity portfolio construction along with exposure to real time derivatives trading. The certification should be seen as the first but a firm step towards building practical skills and expertise in stocks and capital markets. It provides students a strong platform for a career in any segment in the banking and financial services domain.

NISM CERTIFICATION EXAMINATION

Consolidated Status Report (Up to 28 Dec 2014)

Sr. No.	NISM Examination	Number of Candidates Enrolled	Number of Candidates Appeared	Number of Candidates Passed
1	Currency Derivatives (Launched on 15/05/2009)	64,790	59,537	25,422
2	Currency Derivatives -Gujrati (Launched on 01/11/2012)	51	50	12
3	Currency Derivatives -Hindi (Launched on 01/11/2012)	135	118	21
4	RTA - Corporate (Launched on 03/08/2009)	2,736	2,501	1,722
5	RTA - Mutual Funds (Launched on 03/08/2009)	8,437	7,859	4,693
6	Securities Intermediaries Compliance (Non-Fund) (Launched on 28/01/2013)	1,024	856	691
7	Issuers Compliance	28	20	9
8	Interest Rate Derivatives (Launched on 17/05/2010)	1,108	830	231
9	Mutual Fund Distributors (Launched on 01/06/2010)	2,23,280	2,04,509	1,11,065
10	Mutual Fund Distributors - Gujarati (Launched on 01/06/2010)	1,001	882	214
11	Mutual Fund Distributors - Hindi (Launched on 01/06/2010)	1,749	1,441	333
12	Mutual Fund Foundation (Launched on 14/01/2013)	718	543	491
13	Mutual Fund Distributors (Level 2) (Launched on 16/04/2013)	573	460	75
14	Depositories Operations (Launched on 21/02/2011)	62,553	56,294	31,694
15	Securities Operations and Risk Management (Launched on 22/11/2010)	26,007	24,071	18,065
16	Equity Derivatives (Launched on 08/10/2012)	44,917	41,094	22,688
17	Merchant Banking (Launched on 21/03/2013)	412	335	268
18	Investment Adviser (Level 1) Certification Examination (Launched on 03/06/2013)	3,548	2,874	1,228
19	Investment Adviser (Level 2) Certification Examination (Launched on 30/11/2013)	916	683	305
20	Equity Sales Certification Examination (Launched on 07/03/2013)	197	170	127
21	Securities Markets Foundation (Launched on 21/03/2013)	551	475	376
	Total	444731	405602	219730

EMPANELMENT OF CPE TRAINERS

NISM vide a website advertisement on 26th July, 2014 invited applications for Approval / Empanelment as a CPE Trainer. The applications received were reviewed in the Sixth Meeting of the NISM CPE Trainer Approval / Empanelment Committee at NISM Bhavan on the 27th of August, 2014. The Committee evaluated the applications on the criteria communicated in the website advertisement

and made recommendations to NISM on Approval or Empanelment.

Based on the recommendations of the Committee, NISM had approved / empanelled 73 applicants as NISM CPE Trainers. With this approval / empanelment, NISM has a total of 218 CPE Trainers.

NISM Continuing Professional Education (CPE) Consolidated Status Report (Up to 28 Dec 2014)

SR. NO.	NISM Continuing Professional Education through NISM & CPE Providers	Cumulative of Candidates Appeared
1	NISM Mutual Fund Distributors CPE (Launched on 31/05/2010)	59687
2	NISM RTA Corporate CPE (Launched on 04/09/2009)	373
3	NISM RTA Mutual Fund CPE (Launched on 04/09/2009)	225
4	NISM Currency Derivatives CPE (Launched on 30/05/2009)	7572
5	NISM Depository Operations Certification Examination CPE (Launched on 29/03/2011)	7445
6	NISM Mutual Fund Foundation CPE (Launched on 13/09/2012)	1903
7	Equity Derivative CPE (Launched on 11/01/2013)	22181
8	Securities Intermediaries Compliance(Non-Fund) CPE (Launched on 11/03/2013)	83
9	Securities Operations and Risk Management CPE (Launched on 10/12/2010)	3334
	TOTAL	102803



NATIONAL CENTRE FOR FINANCIAL EDUCATION (NCFE)

NCFE-National Financial Literacy Assessment Test

(NCFE-NFLAT) 2014-15

Buoyed by the success of first of its kind financial literacy test for school students, NCFE conducted the 2nd NFLAT on 6th and 7th December 2014. There was an overwhelming response from students, teachers and parents alike wherein more than 1 lakh students from 1400+ schools across the country participated. The test was conducted in more than 200 centres located in various parts of the country. Results of the test are declared on 19 December 2014 followed by award ceremonies for winning students and schools.

NCFE-Financial Literacy and Inclusion Survey

(NCFE-FLIS) 2013-14

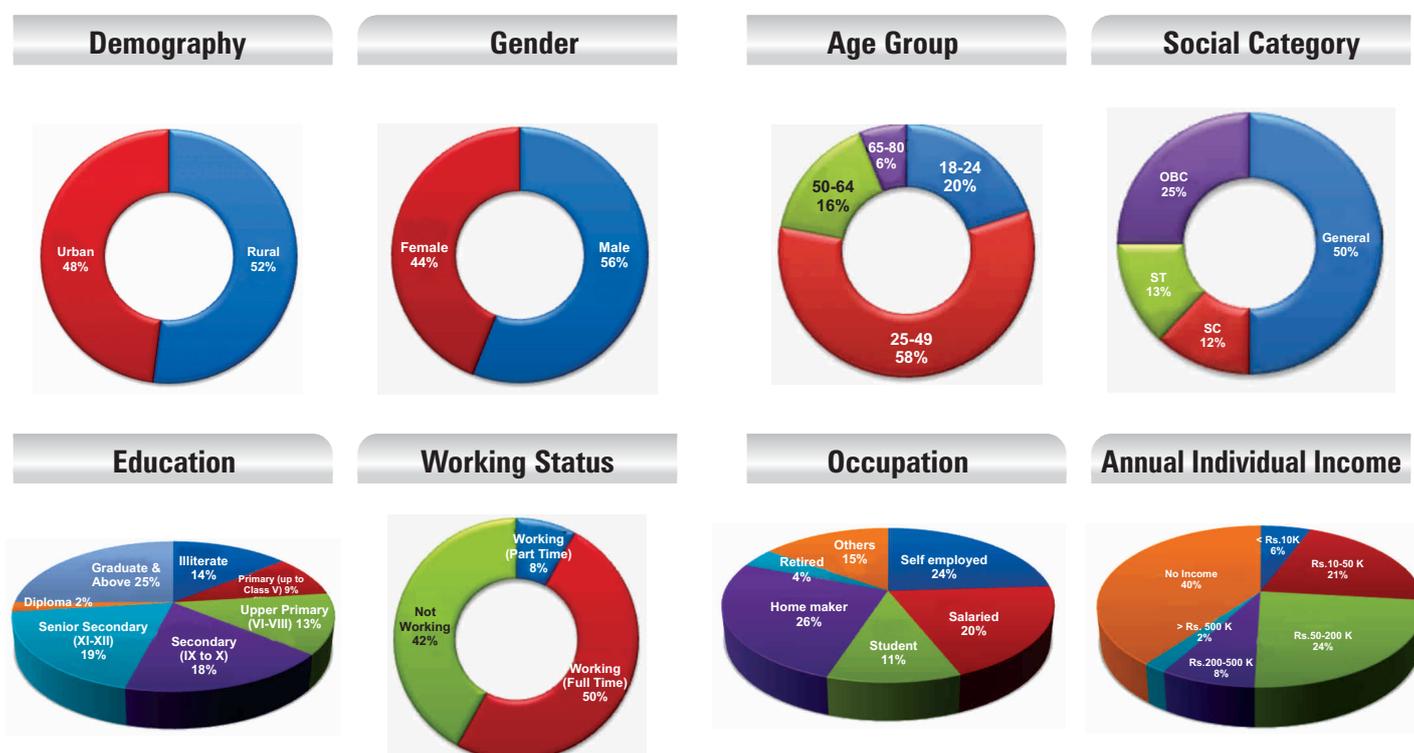
Financial education strategies benefit from empirical evidence to indicate the level of need amongst the population and within particular subgroups. The measurement of financial literacy levels is therefore widely

recognized as a priority for countries seeking to deliver financial education initiatives.

NCFE, at the behest of the Technical Group on Financial Inclusion and Financial Literacy of sub-committee of the FSDC carried out a nationwide baseline survey for assessing the state of financial literacy and financial inclusion in India.

With a sample size of approximately 75000 and covering more than 150 districts in the country, we asked each respondent 50 questions. These included questions from the areas of financial knowledge, behaviour and attitude along with knowledge, access and usage of various financial products and services.

The socio-economic profile of the survey respondents are as given below:



The survey has now been completed and the reports are expected to be published soon with a comparative analysis of states/UTs on various aspects of financial literacy and financial inclusion which will help evaluate India's standing at the global level.

RECENT DEVELOPMENTS IN INDIA-VIETNAM COOPERATION

Sunder Ram Korivi - Dean & Chair Professor (SSIR), NISM

India established diplomatic relations with Vietnam in 1972. As a part of its look-east policy, India is increasingly looking to Vietnam to enhance its presence in the Asia Pacific region. Vietnam's membership in the Trans Pacific Partnership (TPP) can be leveraged by India. Vietnam is also an integral part of ASEAN, which is the third largest economic grouping after China and Japan, in Asia. An India-Japan-Vietnam combine is emerging, to create a balance of power in the Asian region. Vietnam is also a part of the Mekong River Agreement and the Mekong River Commission. The Mekong flows through 6 countries: China, Myanmar, Thailand, Laos, Cambodia and Vietnam.

Vietnam is emerging as one of the large Asian economies, after Japan, China and India. Vietnam's GDP grew at the rate of 5.62 in the first 9 months of 2014, with a focus on manufacturing. FDI-led investment has contributed significantly to the growth in the manufacturing sector. Vietnam's stock markets is one among five fastest growing stock markets in the world. South Korea is the biggest foreign investor in Vietnam. On the monetary policy front, commercial banks have been asked to cut interest rates to promote growth. The government is making attempts to accelerate privatization of state-owned enterprises through stake sales. A working group has been set up for this purpose. Vietnam has granted a banking license to Bank of India.

Currently, China-Vietnam trade is about 7 times Indo-Vietnam trade. Chinese FDI in Vietnam increased sharply in 2013, in 89 new projects and additional investment in 11 existing projects. In the past, India's presence in Vietnam has been through Essar Exploration & Production, Venkateswara Hatcheries, NIIT, APTECH and Tata Infotech. There are an estimated 1500 Indians & PIOs in Vietnam, mostly professionals.

India's trade with Vietnam grew 30% to US \$ 8 billion in the financial year ended 31st March, according to data from Bloomberg. The two countries plan to double trade to US \$ 15 billion by year 2020. On the anvil is a proposed Preferential Trade Agreement (PTA). India has offered a US \$ 300 million line of credit for trade diversification. Indian investments in Vietnam total US \$ 1 billion.

Besides trade, India is now turning out to be a defence-exporter to Vietnam. In a defence cooperation initiative, India will be exporting missiles, warships, aircraft and also engage in training and joint military exercises. The consent from Russia, which is a co-developer in the supersonic BrahMos cruise missile technology, is a facilitator; India will also need to sign the Missile Control Technology Regime (MTCR). India will be offering a US\$ 100 million line of credit to facilitate the purchase of naval warships. Training of batches of Vietnamese naval officers is taking place at Visakhapatnam. Vietnam is likely to induct Russian Kilo-class submarines. India will also provide training in respect of Sukhoi jet fighters.

The two countries have also entered into an agreement for offering nuclear power plant technology. This is facilitated by India's entry into the Nuclear Suppliers' Group (NSG). A 220 MW nuclear power plant is under way, with the assistance of the Department of Atomic Energy (DAE), Government of India.

Additionally, Tata Power had established a power plant in Vietnam at an investment of US \$ 3.8 billion. Under the energy cooperation, there is an agreement between ONGC and Petro Vietnam for exploration in the South China sea for oil and gas.

Two oil fields in the South China Sea have been identified for exploration. ONGC Videsh Limited (OVL), a subsidiary of OVL, plans to acquire interests in three blocks.

Cooperation is also opening up on the tourist front. There is an ongoing dialogue for direct flights between Hanoi and Bodh Gaya, with a visa-on-arrival facility.

Sectors where Vietnam has invited Indian investment are: Textiles, Garments, Leather, Chemicals, Machinery, Agriculture, Agro-processing, Fishery, Infrastructure, Power Generation & Distribution, Information Technology, Education, Biotechnology and Pharmaceutical Research. India's IL&FS will be managing a 105 km-long highway for a period of 30 years under a pact with JSC Vietnam. This is a US \$ 2 billion project connecting Hanoi with Haiphong. A Delhi-Hanoi Highway project is also on the long-term vision of the two countries as a part of ASEAN initiatives.

FINANCE LABS – SMART LEARNING RESOURCE FOR THE NEXT GENERATION OF FINANCIAL SERVICES SECTOR PROFESSIONALS

Dr. Lata Chari - Chair Professor (SSE), NISM

Indian banking and financial services sector has evolved and changed very rapidly in the past two decades, in ways, which is beyond the imagination of old time professionals in this industry. Key factors contributing to the change are

- Extensive use of technology for various operations in this sector – core banking, e-banking, screen based trading, dematerialization of shares together have made the industry not only efficient but has transformed the way business is done.
- Series of financial sector reforms leading to globalization of this sector, participation of both private and foreign participants. This has led to improved competitiveness, more products, better services and growth.

Simultaneously, the products have also become more Complex and Volatility has increased. There is more Uncertainty and Ambiguity in the environment. To survive and make the right decisions in this VUCA environment is a challenge to professionals. It necessitates development of different skill sets as compared to those required few decades ago. There is a need for people who understand technology, are able to understand the new products like commodities, financial derivatives, or mutual fund products, predict and interpret how various changes in economic, political factors will affect these products, understand risk, quantify, measure and manage the same. It is not only essential to develop fresh talent to man various positions but also to retrain the existing professionals to

meet the challenges of this very dynamic environment and take informed decisions based on right type of information. To prepare people to take on these roles efficiently, the training also should replicate the dynamism, challenges, speedy decision making and execution, associated with these roles. Case studies are static – like our balance sheets, where as today's' markets are dynamic and change in nano seconds. Finance labs with data feeds, simulations, results data, global news wires, risk assessment software's, charting tools will help to bring the real world of finance into the classrooms with all its dynamism and challenges. Curriculum related to trading, risk management, portfolio management - building of portfolios and managing them across time, treasury management, can be designed and delivered more effectively supported by simulated hands on sessions. Such sessions will not only ensure better understanding but will also take people closer to the work place challenges and at the same time keep them risk free (stress free) so that they can learn better. Such systems will help people to develop new strategies, test them in risk free environments and apply only those strategies who have higher probability of success to the real life environment.

Top universities in the world like Baruch college in New York, ICMA Centre, Henley Business School, UK have established trading rooms that are used to train professionals of financial services sector. NISM is also in the process of creating a Finance Lab for the training of Capital market and bank professionals which will prove to be of great value to professionals across the country.

REGULATORY CHANGES

INITIATED BY SEBI

SEBI (RESEARCH ANALYSTS) REGULATIONS, 2014

In order to enhance the quality of research information being circulated in Indian Securities Market, the Securities and Exchange Board of India (SEBI) has formulated a regulation regarding who can advised to common public as far as investing in securities markets are concerned.

The SEBI (Research Analysts) Regulations, 2014 (“RA Regulations”) were notified on September 01, 2014. The RA Regulations have come into effect from December 01, 2014.

The regulations specify conditions for registration, certification, limitations on trading by research analysts, limitations on compensations of research analyst, various disclosures to be made during public appearance and during making recommendations through public media, code of conduct, records to be maintained, manner of conducting inspection, etc.

The RA Regulations are available on the SEBI website www.sebi.gov.in.

SEBI NOTIFIES NORMS FOR REITS, INFRASTRUCTURE INVESTMENT TRUSTS

The Securities and Exchange Board of India (SEBI) has finalized the regulations that will govern real estate investment trusts, or REITs, and so-called infrastructure investment trusts (InvITs). Following a board meeting in August, SEBI had cleared a long-pending proposal to allow Indian firms to launch REITs—a move that will enable easier access to funds for cash-strapped developers and create a new investment avenue for institutions and high net worth individuals, and ultimately ordinary investors. All REIT schemes, to start-off with, will be close-ended real estate investment schemes that will invest in property with the aim of providing returns to unit holders. The returns will be derived mainly from rental income or capital gains from real estate. REITs, SEBI said, will be allowed to invest in commercial real estate assets, either directly or through special purpose vehicles (SPVs).

In separate regulations for the two trusts, SEBI said that all related party transactions should be at “arms-length” in accordance with relevant accounting standards. REIT and InvIT are required to make investments either directly or through special purpose vehicles. In the case of PPP projects, money can be put in only through SPV. The minimum public holding in REITs should be 25 per cent while the total number of outstanding units at all times as well as the number of unit holders—who are part of the public—should be 200.

Under both the initial offer and follow-on public offer, the REIT should not accept subscription of an amount less than Rs 2 lakh from an applicant, as per the norms. SEBI has said that at least 80 per cent of the value of REIT assets should be invested in completed and rent generating properties.

While the concept of REITs has been in existence in developed markets for several years now, it is a new concept in India and investors need to know what it is and how it works before they put in their hard earned money to invest in them. The detailed Regulations are available on the SEBI website www.sebi.gov.in.

CLARIFICATION ON GOVERNMENT DEBT INVESTMENT LIMITS

– CIRCULAR NO. CIR/IMD/FIIC/ 17/2014

SEBI had issued a circular CIR/IMD/FIIC/17/2014 dated July 23, 2014 whereby the investment limit in government securities available to all FPIs was enhanced by USD 5 billion by correspondingly reducing the amount available to long term FPIs from USD 10 billion to USD 5 billion within the overall limit of USD 30 billion. It was also stated in the aforesaid circular that all future investments in this USD 25 billion debt limit shall be required to be made in government bonds with a minimum residual maturity of three years.

It is clarified that all investments by Long Term FPIs (Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks) in the USD 5 billion Government debt limit shall continue to be made in Government bonds having a minimum residual maturity of 1 year.

The detailed Circular is available on the SEBI website www.sebi.gov.in

CONSOLIDATED ACCOUNT STATEMENT (CAS) FOR ALL SECURITIES ASSETS

– CIRCULAR NO. CIR/MRD/DP/31/2014

- 1) Pursuant to the Interim Budget announcement in 2014 to create one record for all financial assets of every individual, SEBI had extensive deliberations with the Depositories, AMFI and RTAs of Mutual Funds (MF-RTAs) to implement it with respect to financial assets of securities market.
- 2) As a first step in this direction, it has been decided to enable a single consolidated view of all the investments of an investor in Mutual Funds (MF) and securities held in demat form with the Depositories.
- 3) The Depositories and the Asset Management Companies (AMCs)/ MF-RTAs shall put in place systems to facilitate generation and dispatch of single Consolidated Account Statements (CAS) for investors having MF investments and holding demat accounts. AMCs/ RTAs shall share the requisite information with the Depositories on monthly basis to enable generation of CAS.
- 4) Consolidation of account statement shall be done on the basis of PAN.
- 5) The CAS shall be implemented from the month of March 2015 with respect to the transactions carried out during the month of February 2015.

The detailed Circular is available on the SEBI website www.sebi.gov.in

REGISTRATION FOR THE PURPOSE OF FOREIGN ACCOUNTS TAX COMPLIANCE ACT

(FATCA) Circular no.CIR/MIRSD/2/2014

FATCA was enacted in 2010 by Congress to target non-compliance by U.S. taxpayers using foreign accounts. FATCA requires foreign financial institutions (FFIs) to report to the IRS information about financial accounts held by U.S. taxpayers, or by foreign entities in which U.S. taxpayers hold a substantial ownership interest.

The Government of India has informed SEBI vide communication dated December 30, 2014 that as per the FAQ published on the US Internal Revenue Service (IRS) website, Foreign Financial Institutions (FFIs) in Model 1 jurisdictions need to register with the US IRS and obtain a Global Intermediary Identification Number (GIIN) before January 01, 2015, or at the earliest, in order to avoid withholding. The FFIs who have registered but have not obtained a GIIN should indicate to the withholding agents that the GIIN is applied for. The FAQ published on the IRS website (updated as on December 22, 2014), is available at: <http://www.irs.gov/Businesses/Corporations/Frequently-Asked-Questions-FAQs-FATCA--Compliance-Legal#IGA>.

The detailed Circular is available on the SEBI website www.sebi.gov.in

INITIATED BY RBI

Flexible Structuring of Existing Long Term Project Loans to Infrastructure and Core Industries RBI/2014-15/354 DBR.No.BPBC.53/21.04.132/2014-15

Reserve Bank Of India (R.B.I) has decided to allow the banks to flexibly structure the existing project loans to infrastructure projects and core industries projects with the option to periodically refinance the same as per the norms given below:

- i) Only term loans to projects, in which the aggregate exposure of all institutional lenders exceeds Rs.500 crore, in the infrastructure sector (as defined under the Harmonised Master List of Infrastructure of RBI) and in the core industries sector (included in the Index of Eight Core Industries (base: 2004-05) published by the Ministry of Commerce and Industry, Government of India) will qualify for such flexible structuring and refinancing;
- ii) Banks may fix a Fresh Loan Amortisation Schedule for the existing project loans once during the life time of the project, after the date of commencement of commercial operations (DCCO), based on the reassessment of the project cash flows, without this being treated as 'restructuring' provided:
 - a. The loan is a standard loan as on the date of change of loan amortisation schedule;
 - b. Net present value of the loan remains same before and after the change in loan amortisation schedule;
 - c. The Fresh Loan Amortisation Schedule should be within 85 per cent (leaving a tail of 15 per cent) of the initial concession period in case of infrastructure projects under public private partnership (PPP) model; or 85 per cent of the initial economic life envisaged at the time of project appraisal for determining the user charges / tariff in case of non-PPP infrastructure projects; or 85 per cent of the initial economic life envisaged at the time of project appraisal by Lenders Independent Engineer in the case of other core industries projects; and
 - d. The viability of the project is reassessed by the bank and vetted by the Independent Evaluation Committee constituted under the aegis of the Framework for Revitalising Distressed Assets in the Economy dated January 30, 2014 and communicated to the banks by Indian Banks Association vide its circular No. C&I/CIR/2013-14/9307 dated April 29, 2014.

.The detailed Circular is available on the RBI [website www.rbi.org.in](http://www.rbi.org.in)

RBI RELEASES GUIDELINES FOR LICENSING OF PAYMENTS BANKS

– CIRCULAR NO. CIR/IMD/FIIC/ 17/2014

The Reserve Bank of India (RBI) released the Guidelines for Licensing of Payments Banks.

Key features of the Payments Banks guidelines are:

i) Objectives:

The objectives of setting up of payments banks will be to further financial inclusion by providing

- a. small savings accounts and
- b. payments/remittance services to migrant labour workforce, low income households, small businesses, other unorganised sector entities and other users.

ii) Eligible promoters :

- a. Existing non-bank Pre-paid Payment Instrument (PPI) issuers; and other entities such as individuals / professionals; Non-Banking Finance Companies (NBFCs), corporate Business Correspondents(BCs), mobile telephone companies, super-market chains, companies, real sector cooperatives; that are owned and controlled by residents; and public sector entities may apply to set up payments banks.
- b. A promoter/promoter group can have a joint venture with an existing scheduled commercial bank to set up a payments bank. However, scheduled commercial bank can take equity stake in a payments bank to the extent permitted under Section 19 (2) of the Banking Regulation Act, 1949.
- c. Promoter/promoter groups should be 'fit and proper' with a sound track record of professional experience or running their businesses for at least a period of five years in order to be eligible to promote payments banks.

iii) Scope of activities :

- a. Acceptance of demand deposits. Payments bank will initially be restricted to holding a maximum balance of Rs. 100,000 per individual customer.
- b. Issuance of ATM/debit cards. Payments banks, however, cannot issue credit cards.
- c. Payments and remittance services through various channels.
- d. BC of another bank, subject to the Reserve Bank guidelines on BCs.
- e. Distribution of non-risk sharing simple financial products like mutual fund units and insurance products, etc.

iv) Deployment of funds :

- a. The payments bank cannot undertake lending activities.
- b. Apart from amounts maintained as Cash Reserve Ratio (CRR) with the Reserve Bank on its outside demand and time liabilities, it will be required to invest minimum 75 per cent of its "demand deposit balances" in Statutory Liquidity Ratio(SLR) eligible Government securities/treasury bills with maturity up to one year and hold maximum 25 per cent in current and time/fixed deposits with other scheduled commercial banks for operational purposes and liquidity management.

v) Capital requirement :

The minimum paid-up equity capital for payments banks shall be Rs. 100 crore.

- a. The payments bank should have a leverage ratio of not less than 3 per cent, i.e., its outside liabilities should not exceed 33.33 times its net worth (paid-up capital and reserves).

- vi) Promoter's contribution: The promoter's minimum initial contribution to the paid-up equity capital of such payments bank shall at least be 40 per cent for the first five years from the commencement of its business.

The detailed guidelines are available on the RBI website www.rbi.org.in

ROADMAP-PROVISION OF BANKING SERVICES IN VILLAGES WITH POPULATION BELOW 2000

RBI/2014-15/382

FIDD.CO.LBS.BC.No. 47/02.01.001/2014-15

R.B.I has issued a circular to the CMD of all SLBC Convenor Banks and Lead Banks stating the need to chalk out a strategy to provide banking Services in Villages with Population below 2000.

The banking regulator has earlier issued a circular wherein SLBCs were advised to prepare a roadmap and cover all unbanked villages with population less than 2000 for providing banking services in a time-bound manner (latest by March 2016).

Keeping in view the ongoing implementation of PMJDY, SLBC Convenors banks and lead banks are advised to complete the process of providing banking services in unbanked villages with population below 2000 by August 14, 2015 in line with the PMJDY instead of March 2016 prescribed earlier.

Deadline Extension of Withdrawal of all old series of Banknotes issued prior to 2005

RBI/2014-15/373 DCM(Pig) No.G-8 /3004/10.27.00/2014-15

R.B.I has extend the date for exchanging the pre-2005 banknotes to June 30, 2015. These instructions have been included in a Press Release dated December 23, 2014

INITIATED BY PFRDA

Guidelines for Unfreezing of frozen NPS accounts

Circular no.PFRDA/CIR/2014/7/PDEX/13

PFRDA had issued freezing/unfreezing guidelines for the NPS accounts vide its letter no.8/21/2010/PFRDA dt.07/12/2011.

As per these guidelines an account is frozen if, an NPS subscriber fails to contribute at least the minimum contributions required(i.e.Rs.6000/-) in a financial year. As per these guidelines an account could be revived / unfrozen only by depositing:

- a) The minimum contributions of the last financial years when the account was frozen
- b) Rs.100/- as penalty for each year of frozen account
- c) Rs.500/- as contribution towards current year.

Based on the feedback received from various stake holders regarding the difficulties being faced by the subscribers in unfreezing /reactivating the frozen accounts due to the entire overdue amount to be deposited, PFRDA has re-examined the matter and with a view to facilitate subscriber convenience, it has been decided to revise the above existing Unfreezing Guidelines (a,b & c) for NPS accounts as hereunder:

To reactivate the frozen account, the subscriber need to pay a minimum contribution of Rs.500/- together with a penalty of Rs.100/- along with the unfreeze request.

The rest of the terms & conditions shall remain unchanged.

INITIATED BY IRDA

Change of Name of IRDA to IRDA of India – Ref: IRDA/CAD/MISC/PRE/12/2014

The Insurance Laws (Amendment) Ordinance, 2014 (8 of 2014) was promulgated by the Hon'ble President of India on December 26, 2014.

Chapter IV of the Ordinance contains certain amendments to The Insurance Regulation and Development Act, 1999 (41 of 1999). Section 105 of the Ordinance amends section 2 (1)(b) of the IRDA Act by inserting the words "of India" after "Development Authority". As a result of this Amendment, Insurance Regulatory and Development Authority has been renamed as "Insurance Regulatory and Development Authority of India".

Therefore, it is hereby informed that, Insurance Regulatory and Development Authority (IRDA) shall henceforth be known as "**Insurance Regulatory and Development Authority of India**" (IRDA of India).

Payment of dues to policyholders and disclosure of Unclaimed Amount there of:

Circular no. IRDA/F&A/CIR/GLD/195/08/2014

The insurance regulator has advised all insurer to display the information about any unclaimed amount above Rs. 1000/- of policyholders on their respective website.

NISM Certification Examinations		Duration (in mins)	Max Marks	Pass Marks (%)	Negative Marks	Certificate Validity (in years)	Fees (₹)
01	NISM-Series-I: Currency Derivatives	120	100	60	25%	3	₹ 1250
02	NISM-Series-II-A: Registrars to an Issue and Share Transfer Agents - Corporate	120	100	50	25%	3	₹ 1250
03	NISM-Series-II-B: Registrars to an Issue and Share Transfer Agents - Mutual Fund	120	100	50	25%	3	₹ 1250
04	NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund)	120	100	60	25%	3	₹ 1250
05	NISM-Series-III-B: Issuers Compliance	120	100	60	25%	3	₹ 1405
06	NISM-Series-IV: Interest Rate Derivatives	120	100	60	25%	3	₹ 1250
07	NISM-Series-V-A: Mutual Fund Distributors	120	100	50	-	3	₹ 1250
08	NISM-Series-V-B: Mutual Fund Foundation	120	50	50	-	3	₹ 1000
09	NISM-Series-V-C: Mutual Fund Distributors (Level 2)	120	100	60	25%	3	₹ 1405
10	NISM-Series-VI: Depository Operations Certification Examination	120	100	60	25%	3	₹ 1250
11	NISM-Series-VII: Securities Operations and Risk Management	120	100	50	25%	3	₹ 1250
12	NISM-Series-VIII: Equity Derivatives	120	100	60	25%	3	₹ 1250
13	NISM-Series-IX: Merchant Banking	120	100	60	25%	3	₹ 1250
14	NISM-Series-X-A: Investment Adviser (Level 1)	120	100	60	25%	3	₹ 1250
15	NISM-Series-X-B: Investment Adviser (Level 2)	120	100	60	25%	3	₹ 1250
16	NISM-Series-XI: Equity Sales	120	100	50	25%	3	₹ 1405
17	NISM-Series-XII: Securities Markets Foundation	120	100	60	-	3	₹ 1405
18	NISM-Series-XIII: Common Derivatives	180	150	60	25%	3	₹ 3000

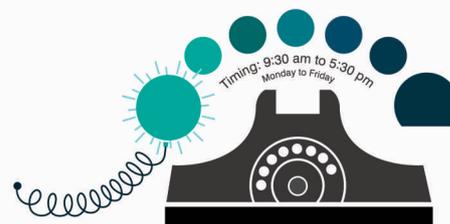
National Institute of Securities Markets
NISM Bhavan, Plot No. 82, Sector 17, Vashi,
Navi Mumbai - 400703 India

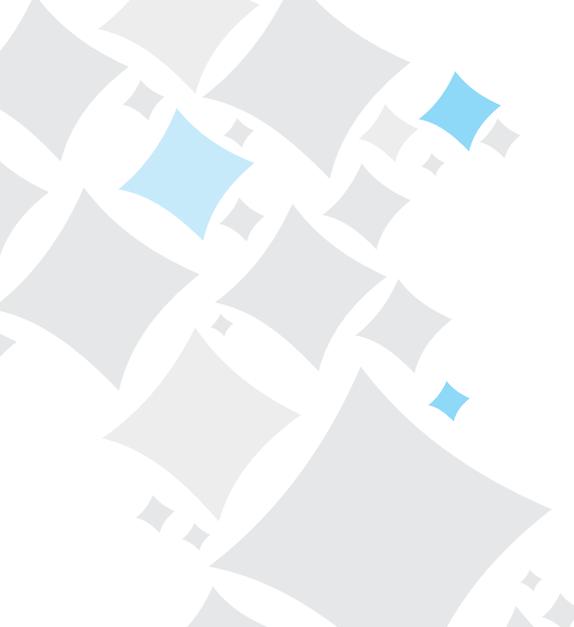
Email: certification@nism.ac.in
www.nism.ac.in/certification



Helpline Number
+91 8080806476

Timing: 9:30am to 5:30pm
Monday to Friday
(Except Holidays)





NiSM Patalganga Campus



NiSM National Institute of Securities Markets
(An Educational Initiative of SEBI)

NISM Bhavan, Plot No. 82, Sector-17, Vashi, Navi Mumbai - 400 703.

Phone: 022 66735100-05 | Fax: 022 66735110

www.nism.ac.in