

Implementation of recommendations of FSLRC

1782. DR. T.N. SEEMA: Will the Minister of FINANCE be pleased to state:

- (a) whether the Financial Sector Legislative Reforms Commission (FSLRC) has submitted its report to Government;
- (b) if so, the details of legislative and non-legislative recommendations/suggestions made therein;
- (c) whether Government has any differences regarding the recommendations/suggestions made by the Commission;
- (d) if so, the response of Government thereto;
- (e) if not, the details of recommendations/suggestions accepted and implemented by Government so far;
- (f) the time by which action on remaining recommendations/ suggestions is likely to be completed; and
- (g) the benefits accrued/likely to accrue to the financial sector as a result thereof?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) Yes, Sir. The Commission submitted its report to the Government on March 22, 2013.

(b) The recommendations of the FSLRC can be divided into two types: non-legislative aspects and legislative aspects. The non-legislative aspects of the recommendations relate to governance enhancing measures on consumer protection and greater transparency in the functioning of financial sector regulators. The legislative recommendations relate to re-writing the laws using a principle based approach, restructuring existing regulatory agencies and creating new agencies.

The report of the Commission (in Two Volumes) is placed in the public domain at the website of the Ministry of Finance under the following link: http://www.finmin.nic.in/fslre/fslre_index.asp.

(c) to (f) The non-legislative aspects of the recommendations have been accepted and are being implemented by all regulators on a voluntary basis.

As part of the legislative recommendations, the Government has set up Task Forces for laying down the roadmap for upgrading the existing Securities Appellate Tribunal to

Financial Sector Appellate Tribunal and establishing new agencies namely, Resolution Corporation, Public Debt Management Agency and Financial Data Management Centre on 30th September, 2014. Decisions on other legislative recommendations have not been taken and no timelines have been fixed.

(g) The implementation of the recommendations of the FSLRC will provide a modern regulatory architecture and law(s) for governing the financial sector in tune with the growth aspirations of the Indian economy. Clear objectives in law, and a sound regulation making process will improve the quality of subordinate legislation that is issued by regulatory agencies. The emphasis on legal process in the new law(s) will induce improved working of the supervisory process.

Mobile banking facility for hilly and rural areas

1783. SHRI MAHENDRA SINGH MAHRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government is encouraging financial inclusion in the country specially in hilly and rural areas under Prime Minister Jan-Dhan Yojana (PMJDY);

(b) if so, whether Government is thinking to introduce 'Mobile Banking' apart from normal banking in hilly and rural areas to facilitate banking at the door- step of the citizens;

(c) whether there is any proposal for introduction of 'Mobile Banking' in hilly areas of Uttarakhand, Himachal Pradesh, and NE States; and

(d) if so, by when it shall be started?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) Yes Sir. In order to extend the banking network in unbanked areas, general permission has been granted by Reserve Bank of India (RBI) to domestic Scheduled Commercial Banks (other than Regional Rural Banks) to open branches/ mobile branches/ Administrative Offices/CPCs (Service Branches), (i) in Tier 2 to Tier 6 centres (with population upto 99,999) and (ii) in rural, semi-urban and urban centres of the North-Eastern States and Sikkim subject to reporting. RBI has advised banks that while preparing their Annual Branch Expansion Plan (ABEP), the banks should allocate at least 25 percent of the total number of branches proposed to be opened during a year in unbanked rural (Tier 5 and Tier 6) centres.

Under Pradhan Mantri Jan-Dhan Yojana (PMJDY) rural areas of the entire country including hilly areas have been mapped into Sub Service Areas (SSAs). All such SSAs