

Highlights of Learning Programs

CAFRAL Conference of Heads of Compliance and CCOs: July 19, 2022, Mumbai



M Rajeshwar Rao, Deputy Governor, Reserve Bank of India delivered keynote address at CAFRAL Conference of Heads of Compliance and CCOs, Mumbai

Other speakers were Tarun Kumar Singh, Chief General Manager, RBI; Hari Narayan Iyer, Chief General Manager, RBI; Abadaan Viccaji, CCO, HSBC; Subir Saha, Group Compliance Head, ICICI Bank; Ravi Duvvuru, Member RRA (2.0); K V Karthik, Partner, Deloitte.

CAFRAL had organised a one-day conference for the Heads of Compliance and CCOs on July 19, 2022.

During the conference, there were deliberations on various aspects against the backdrop of the emerging compliance landscape and in the context of specific regulatory changes which have taken place or likely to take place soon.

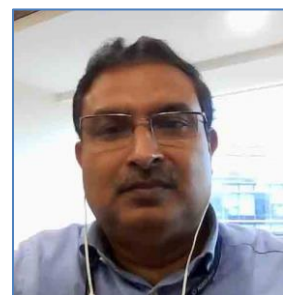
M Rajeshwar Rao delivered the keynote address. Indrani Banerjee, Additional Director, CAFRAL made the opening remarks.

Topics discussed in the conference were Building a Stronger Compliance Culture; Compliance, Accountability and Enforcement; Compliance Culture – A Strategic Perspective; Insights on Regulatory Compliance; Strengthening Compliance Function Against Financial Crime.



M Rajeshwar Rao, Deputy Governor, Reserve Bank of India and Indrani Banerjee, Additional Director, CAFRAL, with other speakers and program participants during the Conference of Heads of Compliance and CCOs, Mumbai

CAFRAL Virtual Program on Digital Lending: August 18, 2022, Online CISCO WebEx





Rajat Gandhi

CAFRAL had organised the captioned half day virtual program on Digital Lending on August 18, 2022.

The objective of the program was to discuss how innovative Digital Lending strategies, new business models, advanced technologies and new Digital Lending players could eventually cause sharp and dramatic rise of share of Digital Lending in total credit from business, technology, governance and regulatory perspectives. The program also deliberated on regulatory approach towards DL and upcoming regulations & guidance in relation to the Digital Lending ecosystem.

J K Dash, Executive Director, Reserve Bank of India (RBI) delivered the keynote address and Indrani Banerjee, Additional Director, CAFRAL made opening remarks.

The program covered topics such as Digital Lending – Paths to Regulatory Policy Landing; Digital Lending & Digital Lending Ecosystem: Evolving Regulatory Approach and New Regulatory Framework; Digital Lending: Bank Perspective and Digital Lending: Fintech Perspective.

Other speakers in this program were Manoranjan Mishra, Chief General Manager, Department of Regulation, Reserve Bank of India; Dr. Goutam Sanyal, Advisor, ICICI Bank and Rajat Gandhi, Founder & CEO, Faircent.

CAFRAL Program on Advanced Technologies in Financial Intermediation: August 25, 2022, Mumbai



R Gandhi, Former Deputy Governor, Reserve Bank of India and Indrani Banerjee, Additional Director, CAFRAL with other speakers and program participants during the Program on Advanced Technologies in Financial Intermediation, Mumbai

CAFRAL had organised a one-day program on Advanced Technologies in Financial Intermediation on August 25, 2022.

This one-day program aimed at providing financial sector leaders with a rounded view of advanced technologies from technological, business, strategic and governance perspectives. It provided a conceptual insight into the ways several ATs are radically changing the face of financial intermediation and the structure of the financial system. It highlighted the potential that advanced technologies have, to radically alter the structure and function of the internal control processes within organizations. The program also discussed, from governance perspective, how advanced technologies could usefully and efficiently connect the external oversight mechanism to the internal controls & assurance functions in financial intermediaries.

R Gandhi, Former Deputy Governor delivered the keynote address. Indrani Banerjee, Additional Director, CAFRAL made the opening remarks.

Topics deliberated in the conference were Advanced Technologies: What is in Store for Financial Intermediation; Advanced Technologies in Financial Intermediation: Today and Tomorrow; Blockchain Technology (BT) and its Adoption in Financial Sector: Concepts and Applications; Use of BT in Finance and Accounting: An Assurance

Perspective; Adoption of Advanced Technologies in Financial Intermediation: Governance and Regulatory Challenges and RegTech, SupTech & Embedded Supervision.

Other speakers were Pankaj Setia, Professor, Indian Institute of Management Ahmedabad; Marina Niforos, Affiliate Professor, HEC Paris & Founder and Principal, Logos Global Advisors; Charanjit Attra, Chief Financial Officer, State Bank of India and Dr. Vijay Singh Shekhawat, Chief General Manager, Department of Supervision, RBI.

Highlights of Research Activities

Dr. Nirupama Kulkarni, Senior Research Director, CAFRAL published a paper titled "Homeownership Segregation" in the Journal of Monetary Economics, which appeared in the July, 2022 edition.

<https://www.sciencedirect.com/science/article/abs/pii/S030439322200068X>

Abstract: "Homeownership is considered an essential part of the "American Dream" and forms the foundation of upward mobility. We show that the upward mobility of children from low-income families is not predicted by homeownership rates, but by homeownership segregation. Higher residential segregation between homeowners and renters predicts lower upward mobility of children from low-income families, while not affecting high-income families. We hypothesize the 1968 Fair Housing Act preserved homeownership segregation in CZs since the 1970s, and feature more land-use regulation even today. Channels mediating the effect of homeownership on upward mobility include income segregation, racial segregation, school segregation, and commuting times."

Dr. Nirupama Kulkarni also published a policy paper in the Journal of Financial Crises (JFC), a practitioner oriented journal of Yale University (Vol. 4 (2022): Issue 2, pages 1-39)

<https://elischolar.library.yale.edu/journal-of-financial-crises/>

Abstract: "The headline numbers appear to show that even as banks and financial intermediaries suffered large credit losses in the Global Financial Crisis of 2007–2009, they raised substantial amounts of new capital, both from private investors and from government-funded capital injections. However, on closer inspection, the composition of bank capital shifted radically from one based on common equity to that based on debt-like hybrid claims such as preferred equity and subordinated debt. The erosion of common equity was exacerbated by large-scale payments of dividends, in spite of widely anticipated credit losses. Dividend payments represent a transfer from creditors (and potentially taxpayers) to equity holders in violation of the priority of debt over equity. The dwindling pool of common equity in the banking system may have been one reason for the continued reluctance by banks to lend over this period. We draw conclusions on how capital regulation may be reformed in light of our findings."

Dr. Gautham Udupa, Research Director, CAFRAL presented a paper titled "Growth Miracles and Consumer Bankruptcy Policy" at the Indian Institute of Management - Bangalore on July 6, 2022. Dr. Udupa also discussed a paper titled "Granular Origins of Co-movement in Fluctuations" at the SERI conference on July 23, 2022.

Dr. Kaushalendra Kishore, Research Director, CAFRAL presented a paper titled "Does Facetime With The Boss Matter? Soft Information Communication And Organizational Performance" at the SERI conference on July 24, 2022. The SERI conference was held at the Indian School of Business in Hyderabad

Highlights of CAFRAL Research Seminars

CAFRAL invited speakers from leading academic institutions and other central banks. A sampling of the abstracts of papers presented are given below:

Competitive Disclosure of Information to a Rationally Inattentive Agent by Dr. Vasudha Jain, IIT Kanpur on July 13, 2022

Paper Abstract

We study competitive disclosure of information on idiosyncratic product quality by two firms to a rationally inattentive consumer. Unless attention costs are low, there is an equilibrium in which the firms provide the consumer with as much information as she would process if she controlled information provision. This is not true if there is only one firm. We identify a novel channel through which the interaction of competition and inattention encourages information disclosure: information on one firm substitutes for information on the other, rendering a unilateral withholding of information unprofitable.

If you wish to be included in the mailer list of CAFRAL Research Seminars [please click here](#)

Upcoming Learning Program

CAFRAL Virtual Program on Lending to Agro - MSMEs September 23, 2022 | Online CISCO WebEx

Background:

Agro-MSMEs operating in the intersection of agriculture sector and MSME sector form many commercially viable and socially impactful value chains. These value chains can seamlessly link the rural with the urban sector. Again, those Agro-MSMEs which operate in the green and social impact space could be powerful mitigants of climate change risk. Therefore, Agro-MSME financing has immense value proposition and financial intermediaries financing them with well-designed strategy and innovative products could potentially unlock tremendous amount of wealth for themselves, the MSMEs and the national economy as a whole.

Program Objective:

The CAFRAL program seeks to discuss and explore the business case for lending profitably to Agro-MSMEs as they hold promise for the development of the rural, semi urban and even urban economies in an integrated, sustainable and impactful manner, while significantly contributing to the bottom lines of financial intermediaries. The program would cover policy & regulatory developments and innovation in the Agro-MSME sector with inputs on the technical aspects of Agro-MSME financing.

Participants' Profile

- Top and Senior Level Executives of Banks, Financial Institutions, NBFCs working in the areas of strategy setting, lending policy formulation, priority sector lending, MSME financing, agri-lending, agro MSME lending, Sustainable finance, etc.
- Independent Directors of Banks, Financial Institutions and NBFCs
- Senior and middle level officers of RBI dealing with policy and regulation relating to agriculture and SME lending.

[Nominate now](#)

Upcoming Research Annual Conference

Call for papers - CAFRAL Annual Conference: The Financial System and Macroeconomy in Emerging Economies

December 12-13, 2022 | Reserve Bank of India, Fort, Mumbai

The Centre for Advanced Financial Research and Learning (CAFRAL), a leading research organization promoted by the Reserve Bank of India, invites submissions for its third annual conference on the Financial system and Macroeconomy in Emerging Economies.

DATES: The conference will be held in Mumbai, India on December 12-13, 2022.

KEYNOTE SPEAKER: The keynote speaker will be Alan M Taylor, Distinguished Professor of Economics and Finance, University of California at Davis.

TOPICS OF INTEREST: We invite completed working papers on macroeconomics and finance, preferably with a focus on emerging economies. We especially welcome papers that examine national and global issues surrounding macroeconomic, financial and policy linkages between emerging and developed economies. Papers addressing the theme of the conference in the context of specific countries, especially India, would also be very welcome. We will consider papers on other topics as well. Doctoral students in the job market are encouraged to submit papers.

PAPER SELECTION: We aim to have about ten papers in the program. The deadline for submission of papers is September 30, 2022. We hope to have the decisions finalized by October 15, 2022. Please submit your papers to macrofinconf@cafral.org.in

FUNDING: The conference will provide round-trip air fare for presenters and discussants as well as pay for their local expenses (including hotel). Participants who receive funding are expected to stay for the full duration of the conference.

PROGRAM COMMITTEE: The papers will be reviewed by a Program Committee chaired by Nirupama Kulkarni (CAFRAL).

We warmly welcome researchers, faculty members and doctoral students from India and outside to attend the conference without any charge. However, participants who do not have a paper or discussion in the program will not be provided any financial support. Please do email us in advance if you are interested in attending with your CV to the above email address by November 30, 2022.

Participants' Profile

Researchers, Faculty Members and Doctoral students from India and outside

If you do not wish to receive these emails from us in future, [please click here](#)