

Proposal for In-house Training on
SBR Framework for NBFC-ML/UL



Vinod Kothari Consultants
Consultants to Financial Intermediaries

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About us

- ❖ Based out of Kolkata, Mumbai & Delhi
- ❖ We are in business for over 30 years
- ❖ In the specialized fields of financial services such as securitization, housing finance, asset-backed financing, etc., we have had some of India's top companies and banks as our clients.
- ❖ Apart from consulting, we have also been quite active in the field of financial training; we have been imparting specialized training workshops all over the world.
- ❖ We are a team of Qualified CAs, CSs, CMAs, MBAs and lawyers besides other qualified consultants, advisors and professionals.
- ❖ Among our unique strengths, is the ability to put together a multifaceted team of corporate professionals, to handle an assignment from a range of relevant perspectives including taxation, accounting, legal and financial.
- ❖ Our brochure for financial training can be accessed [here](#).

Some of our Global Clients



Some of our Indian Clients



About this workshop

- ❖ NBFCs enjoy greater flexibility in terms of capital adequacy, exposure framework, asset classification and provisioning norms, etc. However, higher risk appetite of NBFCs has contributed to their size, complexity and interconnectedness making some of the entities systemically significant, posing potential threat to financial stability. Under the new Scale Based Regulatory Framework, the regulations applicable on Middle Layer and Upper Layer NBFCs are intended to bring it at par with those applicable on banks.
- ❖ At this stage, it is necessary for NBFC-ULs to build internal capabilities to align their regulatory framework accordingly. NBFCs may be facing issues in implementing the SBR Framework; hence, we bring this workshop, which shall provide guidance with respect to actionables and help in addressing the practical issues.
- ❖ This will be a personalized workshop; based on the organization structure, business model and the operations, the course outline shall be curated as per your specific needs.
- ❖ We have successfully conducted a house-full public workshop on the SBR Framework and have regularly been conducting several in-house workshops for the NBFC Sector. Our recent workshop on SBR and Digital Lending: <https://vinodkothari.com/2022/08/workshop-on-digital-lending-regulations/>
- ❖ Our resources on the topic: <https://vinodkothari.com/sbr/>

Broad Course Outline

** The course outline and duration shall be curated as per your specific needs. We shall communicate the commercials accordingly.*

Implementation of various compliances under the SBR Framework with timelines

Corporate Governance norms under SBR

- Experience of Board
- Regulatory restrictions on loans to directors, senior officers, relatives of directors, etc.
 - Exclusions and Inclusions
 - Approval and/or reporting
 - Policy requirement
- Directorship of KMPs
- Provisions on Independent directors
- Compensation Guidelines
 - KMP and Senior Management – Coverage
 - Compensation policy
 - Proportion of variable pay
 - Guaranteed bonus, malus and clawback
- Compliance Function and CCO appointment
 - Compliance function vs. Compliance Team/Department
 - Compliance Risk Assessment
 - Appointment and Function of CCO
- Disclosure Requirements
 - Section 1 and Section 2
 - Exposure and related party
- Core Banking Solutions

Other Recent Amendments to the NBFC Regulatory Framework

- Statutory Auditor Appointment
- Amendments to IRACP Norms
- Integrated and Internal Ombudsman Scheme
- Dividend Declaration by NBFCs
- Digital Lending Guidelines
 - Understanding the concept of Digital Lending, LSP and DLA
 - Major provisions and their implications
 - Customer protection & Conduct- KFS, APR, Cooling Period, GRO
 - Technology & Data Requirement
 - Flow of Funds
 - Immediate Actionables- Impact on existing digital loans

Prudential norms under SBR

- NOF requirements
- Differential provisioning
- Concentration Limits
 - Consolidation of Limits
 - Continuity of extant instruction
- Sensitive sector exposure
 - Capital Market Exposure
 - Real-estate Exposure
- Internal Exposure Limits
- Large exposure framework
 - Scope of counterparties and exemptions
 - Large Exposure limits

Capital Regulations

- CET-1 Capital
 - Tier 1 vs CET1
 - NBFCs vs Banks
- ICAAP
 - Objectives and essential elements
 - Policy and methodology
 - Stress testing Scenarios
- Leverage Requirement

Get in Touch

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