

No. 451 / Circular / 2017-18
October 16, 2017

To
The Chairman / Vice Chairman / Chief Executive Officer
All District & Divisional Association of Urban Co-operative Banks in Maharashtra

Sub: Calling for suggestions/ comments/ remarks

Dear sir / madam,

The Union Cabinet in its meeting held in June, 2017 approved the proposal to introduce a Financial Resolution and Deposit Insurance Bill, 2017. The Bill would provide for a comprehensive resolution framework to deal with bankruptcy in banks, insurance companies and financial sector entities.

With enactment of The Financial Resolution and Deposit Insurance Bill, 2017, it would pave the way for setting up of the Resolution Corporation. It would also result in repealing of the Deposit insurance and Credit Guarantee Corporation Act, 1961, to transfer the deposit insurance powers and responsibilities to the Resolution Corporation. The proposed Bill complements the Insolvency and Bankruptcy Code 2016 and will provide a comprehensive resolution framework for the economy.

Now, the Financial Resolution and Deposit Insurance Bill, 2017 has been referred to the Joint Parliamentary Committee of both the Houses under the Chairmanship of Shri Bhupender Yadav, M.P. to examine the Bill and present a Report to the Parliament. The Joint Committee has sought views and suggestions from various stakeholders on the provisions of the aforesaid Bill.

Since the provisions of Section 120(2) and 121 in Chapter XVII of the Bill appears to be against the interest of urban cooperative banks, and in view of time constraint, NAFCUB has submitted its views/suggestions in respect of Financial Resolution and Deposit Insurance Bill, 2017 to the Joint Committee, copy of which is enclosed for your kind perusal and reference.

In view of above, we request you to kindly examine and submit your views/suggestion to the Federation at the earliest.

Please treat this as Most Urgent.

Thanking you
Yours faithfully
sd/-

(Sayali S. Bhoir)
Chief Executive & Secretary
The Maharashtra Urban Co-operative Banks' Federation Ltd,
Wadala, Mumbai