Atma Nirbhar: Creating Jobs, Revenue, global recognisations, savings, creating confidence

S. N	Topic	Particulars	Benefit	Remarks
1	Allow Non-Bank Custodians, limited banking license	SHCIL, Orbis, Edelweiss, SBI-SG, ISSL to become full service providers. Encourages new Custodians to come up Attracts global Non-bank Custodians like State Street, NT, BBH. Manage perceptions/ develop Risk Grid	More Inflows(JPM example) More employment and retention of Revenue Ensures greater financial stability and Risk Management 26% of total Custody AUCs is with these five Custodians Reduce cost of doing business, brings strategic alliances Government benefits on account of SHCIL valuation	RBI
2	Position Technical capability of Indian Exchanges, Clearing Corp, Depositories	Especially in Middle East, East Europe, LSE and Africa's. E.g - NSE and Tadawul. Incentivise it	Global Recognition Revenue in Dollar terms. Employment locally and overseas India exports its Technical skills, Hardware and software	MoF & MEA
3	Third party processing Operational Issues resulting from COVID related : negative perceptions developed, highlighted in International Conferences	Leading Global names looking to derisk, by planning to move out part Operations from India. Impact on Employment, Tax and revenue. Remove Operational issues. Avoid last minute announcements	India currently amongst the largest Global centres for processing Custody. Presently over 100,000 directly employed in this segment in India. Indirectly over 500,000.	MoF
4	Recognise European MoneyVal (Associate of FATF) Jurisdictions	Permit Cat 1 FPIs from these jurisdictions. In first instance, this be done through GIFT City.	Improved inflows through such jurisdictions, as they offer cost advantage but also guided by FATF. This indirectly adds to AUC, Revenue to India and jobs	SEBI
5	FPIs, prefer coming direct than through GC	This to avoid high costs of GC, esp single country FPIs. This segment is growing rapidly	Project Indian Banks/brokerages/ Custodians through the 125+ Indian Embassies. Project them as points of contact Indian Institutions/Intermediaries to tie-up with Single Country Counterparts	MEA, MOF, SEBI
6	Add new products- Listed warrants	Can significantly enhance employment, Capital Inflows, esp in SME segment	India has a well tested Derivatives market and excellent trading and settlement system. Product for Indian Investors	SEBI
7	Tie-ups wrt Brokerages and Custodians	Intra Country Tie ups through MOU; Global memberships(TSSAG)	Revenue for India, Exchanges, Employment, greater visibility Cross sell by third party jurisdictions- Similar to what Mauritius does. Improved ownership	SEBI, Exchanges, BBF, AMFI, ANMI, TSSAG,. MEA

Improving India Competitiveness

S. N	Topic	Particulars	Benefit	Remarks
1	Outsourcing of Non-core Custody activities	Enables brokerages/ Custodians to reduce significantly cost of doing business. Similar to what Global Custodians are currently do – wrt their processing in India	Be more competitive Reduce Operational costs More employment and leverage benefits of Scale	SEBI
2	Establish basic Operating standards wrt of world class processing and Investor response	Non-standard practices wrt non-core activities, impacts perception, growth and competitiveness. Develop Investor centricity as theme wrt Reports, TATs & information Decks	Improves Investor confidence Standardization of practices Better costing- this to cover Tax and Legal firms too-whose costs add to cost of doing business Development of best practices note	SEBI
3	Develop GIFT City. Also engage in strategic tie-ups with other low- Cost Jurisdictions	Increase inflows from Jurisdictions who house a particular type of FPIs and look for jurisdictions that facilitate lower costs vs high cost jurisdiction as Lux, Dublin, S'pore	Investors from Western European, Japan, Korea- especially those from Cat II would find this attractive. So also India Centric Funds More Inflows will earn more revenue, employment, greater positive visibility and support by other jurisdictions	GIFT City Regulator
4	Non- Institutional Investors(NII) holdings to be custodied	India based Non- Institutional Investors are subject to different Operational practices wrt Settlement, whereas no such challenges for foreign Non- Institutional Investors. Mandate Custody for India based large NII	Significantly reduce costs and risks. Leverage existing capacity Remove current non-standard practices across multiple DPs Exponential growth of PMS and AIF segment Improves investor confidence Standardizes practices across NII and Institutional Investors across Domestic and foreign investors Develop a No frills custody	SEBI
5	Indian Embassy to Project ease of doing Business information to GC and direct Investors	General perception that trading and settlement is Complex and more expensive. Prepare standardized Decks that address these. For e.g BSE Handbook of FPIs	Manage perceptions Project developments Make information available through the 125+ embassies Attract better inflows than competing Countries Host thought leadership; have dedicated headcount	MEA, MoF, SEBI, Exchanges, TSSAG, ASIFMA, GC, BBF, Exchanges, Intermediary
6	Activate long pending Level 1 Depositary Services product, in tune with Global norms	Current requirements by India are non-standard Global requirements. Thus Global depositories promote other markets- which follow the global standards. India impacted	Will revive the once throbbing DR Segment. Will provide positive perceptions of the Country and aligned to Global practices. More ownership by Depositories . Revenue and employment created, beside adding diversity	

Improving India Competitiveness

S. N	Topic	Particulars	Benefit	Remarks
7	Tie-ups between Intra-Country Brokerages.	Promote Intra Country Tie ups between intermediaries	Revenue for India, Exchanges, Employment, greater visibility	MEA,MOF,SEBI, Exchanges, BBF, AMFI, ANMI, TSSAG
8	Establish and improve Governance norms wrt listed SMEs.	Non-standard reporting do not inspire Investor confidence. Impacts perception, growth and competitiveness. Investor in this segment particularly from Japan, Korea, Western European nations have voiced the need for independent rating	Improved Investor confidence Standardization of practices Improves attractiveness of SME segment More inflows and development of this sector Better valuation reduces stress on Banking Embassies to drive it	SEBI, MoF, SME Ministry
9	Pay Interest on Float Balances of FPIs. Currently Regulatorily prohibited	FPI float accounts for over 70% of revenue of Banking Custodians. The benefit is about 600 Basis points. Not shared with Investor. Increases cost of doing business. Allow a certain percentage to be paid for a limited period	Will develop level the playing field between various Custodians. Currently benefits only once class of Custodians(at cost of Domestic Custodians). Wrong practices hinders competitiveness Significantly improve the attractiveness of India Benefits FPI Investor Increased inflows will significant offset the extra outflow Interest to be paid for those keeping balances for 15 -30 days	SEBI, RBI , MOF
10	Undertake/Authorise an Annual survey of Cost of doing business and make it public/ especially FPIs	Lack of standard information vis-a vis other countries as well as total costs, impacts perception and allows non-standard practices and information. A framework of Annual cost of doing business	Corrective measures can be taken Better positioning with FPIs Investor confidence will grow Better data with SEBI and regulatory bodies Assist development of GIFT City	SEBI, Exchanges, MOF, TSSAG.
11	Frequent changes are not welcome by International Investors. Release amendments/ changes in an coordinated manner	Once in a quarter changes vs overnight changes- is norm. Foreign investors incur significant Challenges/ costs(internal and external) whenever the changes are frequent and of short turnarounds. India scores high –ve marks on these counts as well as on uncoordinated changes/ intimations	Periodic changes reduces uncertainty wrt investments and perceptions. Improves Investor confidence Improves attractiveness India is no longer considered risky wrt Trading and settlement. However same is not the perception wrt policy and regulation related. This is a big negative, esp on Tax front.	MoF, SEBI, CBDT, RBI, GIFT City