

## 29th meeting of Financial Stability and Development Council (FSDC)

*Prelims: Current events of National and International Importance | Economy*

### Why in News?

Union Minister for Finance and Corporate Affairs chaired the 29<sup>th</sup> meeting of the Financial Stability and Development Council (FSDC), in Mumbai recently.

- **Strategic Framework** - Establishing an appropriate framework by regulators for evaluating and enhancing the *responsiveness of regulations* and subsidiary instructions.
- To take necessary steps to *reduce the unclaimed assets* in the financial sector and the expeditious and seamless refund of such assets to rightful owners.
- Prescribing common KYC norms, simplification and digitalisation of the KYC process,
  - Including digital onboarding for Non-Resident Indians (NRIs),
  - Including PIOs and OCIs, in the Indian securities market.
- Analysing *trends in financing flows* as part of a strategy to increase the investment ratio.
- Taking measures to improve the reach and scope of factoring services and the effective use of account aggregator networks.
- The FSDC deliberated on the emerging trends from the domestic and global macro-financial situation and stressed the need to be vigilant.
- The Council recognised the need for proactive efforts to mitigate potential risks to financial stability while adopting adequate safeguards for the financial system's resilience.
- The members decided to strengthen the inter-regulatory coordination for the wider development of the financial sector.

### Financial Stability and Development Council (FSDC)

- **Established in** - 2010.
- It serves as a high-level forum aimed at *enhancing financial stability and inter-regulatory coordination*.
- It is **not a statutory body** and does not have a dedicated budget for its operations.
- **Chaired by** - The Union Finance Minister.
- The council comprises heads of key financial regulators, including the RBI, SEBI, PFRDA, IRDA, and FMC, along with senior officials from the Finance Ministry and the Chief Economic Adviser, with the option to invite external experts as needed.
- The FSDC focuses on macroprudential supervision, addressing issues related to financial sector development, and promoting financial literacy and inclusion.
- A sub-committee led by the RBI Governor tackles specific matters concerning regulatory coordination and stability.

## Reference

[PIB | Financial Stability and Development Council \(FSDC\)](#)

