Subject 3: Regulatory Requirements

Max Marks: 100
External: 70
Internal: 30
Pass: 40%
Credits: 6

Course Objective:

This course is designed to equip students with knowledge of the regulatory frameworks governing the financial services sector, including banking, insurance, and securities. Students will learn about the roles of various regulatory bodies (RBI, SEBI, IRDA), compliance measures, risk management, and customer service standards. The course also covers the distribution of third-party products, retail loans, and anti-money laundering regulations, enabling students to understand and implement effective governance and compliance strategies in financial institutions.

Learning Outcomes:

By the end of this course, students will be able to:

1. **Understand Regulatory Frameworks Governing Financial Institutions**
    - Explain the roles and guidelines of regulatory bodies such as RBI, SEBI, and IRDA, and their impact on customer service and operational governance in the financial sector.
2. **Implement Risk Management and Compliance Strategies**
    - Apply risk management tools and compliance measures to detect and prevent fraud, ensuring adherence to audit systems and regulatory requirements within financial institutions.
3. **Manage Distribution of Third-Party Products (TPP)**
    - Demonstrate knowledge of wealth management services, and RBI guidelines for selling third-party products like insurance and mutual funds, while ensuring compliance with regulatory norms.
4. **Apply AML and CFT Regulations**
    - Comprehend and implement Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) regulations, including adherence to the PML Act, FATF guidelines, and KYC requirements in financial operations.

Section A

Unit 1: Regulatory Guidelines

Overview of Labour Laws, RBI, SEBI, IRDA Guidelines, Customer Service Regulations.

Unit 2: Customer Service

Risk Management and Compliance Tools, Frauds in Banking: Detection and Prevention, Audit Systems and Controllers' Visit.

Unit 3: Governance & Compliance

Governance in Financial Institutions, Ethics in Banking and Finance, Regulatory Audits and Reviews.

Section B

Unit 4: Third Party Products (TPP)

Wealth Management Services, RBI Guidelines on TPP, Selling Life Insurance, Mutual Funds, and General Insurance.

Unit 5: Retail Loans

Types of Loans: Eligibility and Documentation, Home Loan, LAP (Loan Against Property), Personal Loan, Credit Card, Gold Loan, Loan Against Shares.

Unit 6: Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT)

AML and CFT Regulations, PML Act and FATF Guidelines, Know Your Customer (KYC) Requirements.

Suggested Readings:

Herring, R. J. (2021). *The regulation of financial institutions*. MIT Press.

Anand, A., & Ramesh, S. (2022). *Regulatory frameworks in Indian financial markets*. Sage Publications.

Lastra, R. M. (2019). *International financial and monetary law* (3rd ed.). Oxford University Press.

Baldwin, R., Cave, M., & Lodge, M. (2022). *Understanding regulation: Theory, strategy, and practice* (2nd ed.). Oxford University Press.

Nolte, D. (2020). *Regulatory compliance in financial services*. Palgrave Macmillan.