

## **Naina Lal Kidwai's Comments on the Passing of Banking (Amendment) Bill, 2011.**

**New Delhi, December 18, 2012:** FICCI welcomes the passing of the Banking (Amendment) Bill, 2011. This Bill is an important piece of legislation that will lay the foundation for many reforms in the Indian banking sector.

"FICCI hopes that all other enabling factors as prescribed by RBI are soon fulfilled so that new bank licenses may be issued to the private sector. This will help expand the reach of banking services to the financially excluded. New bank licenses will also provide an excellent impetus to the Government's and RBI's financial inclusion agenda," said Ms. Naina Lal Kidwai, President, FICCI.

The Bill further clarifies the role of RBI and the Competition Commission of India (CCI) in terms of mergers and acquisitions that take place in the banking industry. This clarification mitigates the regulatory overlaps that have so far existed between RBI and CCI in this regard. This will help the industry in executing their transactions with greater ease and efficiency.

While the contentious clause of allowing Banks to trade in commodity futures has been removed from this Bill, FICCI is hopeful that this aspect will continue to remain on the Government's reform agenda and will be addressed as and when the Parliament clears the Forward Markets Commission Act, an act that will provide the regulator of the commodities market with greater power.

FICCI is confident that the passing of this Bill will encourage foreign investment in the banking sector. FICCI congratulates the Government on the timely passing of this Bill. This will no doubt help in steering the Indian economy back to an increased growth trajectory.

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