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| <b>COURSE TITLE</b>   | <b>BANKING AND INSURANCE- LAW &amp; PRACTICE</b> |
| <b>COURSE CODE</b>    | <b>04BC0428</b>                                  |
| <b>COURSE CREDITS</b> | <b>4</b>   |

**Objective:**

- 1 NA

**Course Outcomes:** After completion of this course, student will be able to:

- 1 Describe the evolution of banking laws and explain the key provisions of major legislations governing the Indian banking sector.
- 2 Analyze the institutional and regulatory framework for compliance and customer protection in Indian banking, including anti-money laundering norms and the role of the Banking Ombudsman
- 3 Evaluate emerging regulatory practices and prudential norms such as Basel III, digital banking frameworks, and inclusive banking obligations.
- 4 Explain the structure, powers, and functions of IRDAI and the legal framework governing the insurance sector in India.
- 5 Assess the capital adequacy, risk-based supervision, and technological innovations in the insurance sector, including ESG compliance and regulatory sandbox initiatives.

**Pre-requisite of course:**NA

**Teaching and Examination Scheme**

| <b>Theory Hours</b> | <b>Tutorial Hours</b> | <b>Practical Hours</b> | <b>ESE</b> | <b>IA</b> | <b>CSE</b> | <b>Viva</b> | <b>Term Work</b> |
|---------------------|-----------------------|------------------------|------------|-----------|------------|-------------|------------------|
| 4                   | 0                     | 0                      | 50         | 30        | 20         | 0           | 0                |

| Contents :<br>Unit | Topics  | Contact Hours |
|--------------------|---|---------------|
| 1                  | <b>Foundations of Banking Regulation in India</b><br>Evolution of banking regulation in India. Role of the Reserve Bank of India (RBI) as the central regulator. , Overview of key legislations: Reserve Bank of India Act, 1934: Provisions relating to: Incorporation, Capital management and Business (Sec 3 to 19), Central Banking functions ((Sec -20 to 45),Regulatory and Supervisory Collection and furnishing of credit information (45 A to 45 G), Penalties (Sec 58 B to 58 -G), RBI Act ( As Amended By Finance Act 2018)- Monetary Policy Committee (Sec.45 ZA to 45 ZO), , Banking Regulation Act, 1949: Provisions relating to- Definition of bank (Sec. 5B and 5C), Business of Banking Companies (Sec.6), Restrictions on business of banking companies (Sec.8, 19 and 20), Capital Structure(Sec.12), Powers of the RBI (Sec.21, 22and 36 to 36AD), Applicability of the Act to Cooperative Banks (Sec.56), amendments of BRA1949 up to 2012, Banking Regulation (Amendment) Bill 2017,, Negotiable Instruments Act, 1881 (overview), Companies Act, 2013 (provisions applicable to banks), Regulatory framework for licensing, opening of branches, and bank mergers  | 12            |
| 2                  | <b>Institutional Framework and Compliance Mechanisms</b><br>Roles and functions of regulatory and supervisory bodies: Ministry of Finance, SEBI, NABARD, Bank Board Bureau (BBB), FSDC Foreign Exchange Management Act (FEMA), 1999. SARFAESI Act, 2002: Recovery mechanisms for banks. Insolvency and Bankruptcy Code (IBC) and NCLT's role in banking resolution, Anti-Money Laundering and KYC norms under PMLA, 2002: Meaning of money laundering – stages in money laundering – Introduction to Prevention of Money Laundering Act, 2002:Provisions relating to: Preliminary (Section 1 and 2), Offence of money laundering (Section 3 and 4),Attachment, adjudication and confiscation (Section 5 and 11), Obligation of banking companies, financial institutions and intermediaries (Section 12 and 15) Summons, searches and seizures (Section 16 and 24) The RBI guidelines regarding prevention of money laundering, The Prevention of Money Laundering (Amendment) Act, 2012., Banking Ombudsman Banking Ombudsman Scheme, Role of Banking Ombudsman: Grounds of Complaint, Procedure for Filing Complaint; Power to Call for Information, Settlement of Complaint by Agreement, Award II. The Banking Codes and Standards Board of India: Customer Service, Grievances Redressal Mechanism, Risk-based supervision and compliance mechanisms | 14            |
| 3                  | <b>Emerging Regulations and Supervisory Practices</b><br>Prudential norms: Capital Adequacy (Basel III), Asset classification, provisioning Priority Sector Lending (PSL) and Financial Inclusion obligations, Regulation of: Digital Banking, Payments Banks and Small Finance Banks, Foreign Banks and Cooperative Banks Recent RBI regulations: Digital Lending Guidelines (2022), Prompt Corrective Action (PCA), Account Aggregator Framework and Cybersecurity and technology risk management ESG and Green Finance regulatory initiatives  | 8             |

| <b>Contents : Unit</b> | <b>Topics</b>  | <b>Contact Hours</b> |
|------------------------|--|----------------------|
| 4                      | <b>Regulatory Institutions and Legal Framework of Insurance in India</b><br>Introduction to Insurance Regulation: Need for regulation in the insurance industry, Objectives of insurance regulation, Role of government in protecting policyholders, Insurance Regulatory and Development Authority of India (IRDAI): Establishment under IRDA Act, 1999, Structure and composition of IRDAI, Powers and functions of IRDAI, Relevant Regulations and Guidelines issued by IRDA, Licensing, Audit & Supervision, Investments, Amalgamation and Transfer, Grievance Redressal, Rural and Social Sector obligations, Micro Insurance, Financial inclusion, Product Approval, Role in promoting policyholder protection and market growth, Legislations Governing Insurance Sector: Insurance Act, 1938, IRDA Act, 1999, LIC Act, 1956, General Insurance Business (Nationalization) Act, 1972 (Regulates PSU general insurers), Companies Act, 2013 (Corporate governance rules), FEMA, 1999 (Foreign investment in insurance), Consumer Protection Act, 2019 (Redressal of grievances), PMLA, 2002 (Anti-money laundering compliance) Insurance Ombudsmen, Arbitration., Industry Self-Regulatory Bodies: Life Insurance Council and General Insurance Council, Institute of Actuaries of India (IAI), Role of Ombudsman in grievance redressal | 14                   |
| 5                      | <b>Regulatory Guidelines, Capital Norms and Supervision in Indian Insurance Sector</b><br>Regulatory Guidelines Issued by IRDAI: Product design and pricing guidelines, Investment regulations for insurers, Corporate governance and reporting obligations, Health insurance-specific norms, Microinsurance and financial inclusion norms, Capital Requirements and Ownership Norms: Minimum capital: life/general and reinsurers, Foreign Direct Investment (FDI) in insurance, Requirement for Indian ownership and control, Supervisory and Compliance Mechanism: Risk-Based Supervision (RBS), Solvency margin requirements, Actuarial reporting and stress testing, IRDAI inspections and enforcement actions, Technological and Market Developments: Regulatory Sandbox: Promoting insurance innovation, Bima Sugam: Unified digital insurance marketplace, Climate and ESG Guidelines: Role of insurance in sustainable development  | 12                   |
| <b>Total Hours</b>     |  | <b>60</b>            |

**Textbook :**

- 1 Principles of Insurance Law, M. N. Srinivasan, Wadhwa & Co, 2024
- 2 Insurance Law and Practice, , Rajiv Jain & Rakhi Biswas, Vidhi Publication Private Limited, 2001
- 3 Manual of insurance Laws, Bharat, Bharat Publication Private limited, 2024

**References:**

- 1 Law of Insurance, , Law of Insurance, , Dr. Avtar Singh, Universal Publication Pvt. Limited, 2023
- 2 Principles of Risk Management and Insurance, Principles of Risk Management and Insurance, George E. Rejda. Michael J. McNamara, Pearson, 2023

**Suggested Theory Distribution:**

The suggested theory distribution as per Bloom's taxonomy is as follows. This distribution serves as guidelines for teachers and students to achieve effective teaching-learning process

Distribution of Theory for course delivery and evaluation

| <b>Remember / Knowledge</b> | <b>Understand</b> | <b>Apply</b> | <b>Analyze</b> | <b>Evaluate</b> | <b>Higher order Thinking / Creative</b> |
|-----------------------------|-------------------|--------------|----------------|-----------------|---|
| 0.00                        | 30.00             | 25.00        | 25.00          | 10.00           | 10.00                                   |

**Instructional Method:**

- 1 NA

**Supplementary Resources:**

- 1 [https://www.icsi.edu/media/webmodules/Banking\\_Law&\\_Practice.pdf](https://www.icsi.edu/media/webmodules/Banking_Law&_Practice.pdf)