

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

LOK SABHA

UNSTARRED QUESTION NO. 196

TO BE ANSWERED ON 15th DECEMBER 2017

QUESTION

Resolution Corporation for Banks

196. SHRI C. MAHENDRAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has appointed any panel/committee to set up a Resolution Corporation for banks and other financial institutions;
- (b) if so, the details thereof; and
- (c) the outcome thereon ?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI P. RADHAKRISHNAN)

(a) to (c): Yes, Madam. In September 2014, the Ministry of Finance had set up a Task Force on Resolution Corporation comprising independent experts and representatives from Government and the financial regulators. The Task Force had been, inter alia, assigned to recommend a plan for building a Resolution Corporation, with a focus on the organizational design, human resource requirements and risk management system. The Task Force submitted its Report in June, 2015.

The Financial Resolution and Deposit Insurance Bill, 2017 (FRDI Bill) was introduced in the Parliament in August, 2017 to provide for a comprehensive resolution framework for specified financial sector entities. The FRDI Bill, inter alia, envisages the setting up of a Resolution Corporation (RC), which is proposed to provide for; the resolution of certain categories of financial service providers in distress; deposit insurance to the depositors of an insured service provider up to a specified limit; and protection of public funds, for ensuring the stability and resilience of the financial system.

Setting up of the RC is dependent on the passing of FRDI Bill by the Parliament.
