

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA

UNSTARRED QUESTION NO. 12

TO BE ANSWERED ON MONDAY, JULY 18, 2022/ASHADHA 27, 1944 (SAKA)

Financial Stability and Development Council

12. SHRIMATI POONAM MAHAJAN

Will the Minister of FINANCE be pleased to state:

- (a) whether the non-statutory status of Financial Stability and Development Council (FSDC) prevents it from risk assessment, management, supervision and monitoring of the financial system;
- (b) if so, whether the Government plans to make the FSDC a statutory body;
- (c) if so, the details thereof along with the time by which a final decision is likely to be taken in this regard and if not, the reasons therefor; and
- (d) the details of the current statutory bodies in place for financial crisis management at a macroeconomic scale, especially in situations similar to the COVID-19 pandemic?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

- (a): No, Sir. The FSDC which comprises of all the financial sector regulators are actively involved in risk assessment, management, supervision and monitoring of the financial system. Further, the Reserve Bank of India (RBI), which is a member of FSDC, publishes the Financial Stability Report biannually in June/July and December/January, reflecting collective assessment of financial sector regulators and the Ministry of Finance, who are members of FSDC, on risks to financial stability.
- (b) & (c): No, Sir. FSDC which comprises of all the financial sector regulators is already actively involved in risk assessment, management, supervision and monitoring of the financial system.

(d): Management, supervision and monitoring of the financial system are the responsibilities of the regulators, namely, RBI, Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), Insolvency and Bankruptcy Board of India (IBBI) and International Financial Services Centres Authority (IFSCA). Currently, financial crisis management is done by the Ministry of Finance in coordination with the regulators.
