

## BFSI AND CAPITAL MARKET

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### 1. TRAI recommends AI regulation: Establish independent body, risk-based framework for AI use cases

It suggested setting up an independent statutory authority called the Artificial Intelligence and Data Authority of India (AIDAI) immediately.

Also proposed that the Ministry of Electronics and Information Technology (MeitY) be designated as the administrative ministry for AI.

TRAI recommended the establishment of a multi-stakeholder body (MSB), that will act as an advisory body to the AIDAI.

TRAI's proposed framework recommends the categorisation of AI use cases based on their risks and regulating them according to principles of responsible AI.

Earlier Minister of State in Electronics and Information Technology (MeitY) had said that the government will bring in regulations on AI through the prism of user harm.

<https://www.moneycontrol.com/news/telecom/trai-recommends-leveraging-ai-in-telecom-sector-set-up-statutory-regulatory-body-10997061.html>

### 2. Network-to-network agreement for UPI acceptance signed by India and Sri Lanka which will increase Fintech connectivity

France had also announced the launch of UPI starting with Indians

India's UPI and Singapore's PayNow also signed an agreement this year paving the way for users in the two countries to make seamless, real-time, and secure cross-border transactions.

National Payments Corporation of India (NPCI) is also in talks with other countries in the USA, Europe, and West Asia to extend UPI services.

<https://bfsi.economictimes.indiatimes.com/news/fintech/network-to-network-agreement-for-upi-acceptance-signed-by-india-and-sri-lanka/102008236>

### 3. RBI, Central Bank of UAE sign MoUs on promoting local currencies, interlinking payment systems

The MoUs are aimed at putting in place a local currency settlement system to promote the use of Indian Rupee and UAE Dirham bilaterally

With the currency system in place, exporters and importers will be able to invoice and pay in their respective domestic currencies, which would help in the development of Rupee-Dirham exchange market.

[https://www.hindustantimes.com/business/rbi-central-bank-of-uae-sign-mous-on-promoting-local-currencies-interlinking-payment-systems-101689415257992.html?utm\\_source=whatsapp&utm\\_medium=social&utm\\_campaign=ht\\_site](https://www.hindustantimes.com/business/rbi-central-bank-of-uae-sign-mous-on-promoting-local-currencies-interlinking-payment-systems-101689415257992.html?utm_source=whatsapp&utm_medium=social&utm_campaign=ht_site)

### 4. How RBI is showcasing innovations in Agri-credit and CBDC before G20 nations -

The 'Innovation Pavilion.' put out by the RBI at the third meeting of G20 finance ministers and central bank governors exhibits the latest initiatives related to the pilot on 'Frictionless Credit' and CBDC.

The 'Frictionless Credit' initiative is exemplified through an experience centre that provides visitors with a practical demonstration of the transformational Digital Kisan Credit Card (KCC) and Digital Dairy journey.

[https://bfsi.economictimes.indiatimes.com/news/banking/how-rbi-is-showcasing-innovations-in-agri-credit-and-cbdc-before-g20-nations/101917403?utm\\_source=Mailer&utm\\_medium=newsletter&utm\\_campaign=etbfsi\\_news\\_2023-07-20&dt=2023-07-20&em=cm9oaXRwYXRvcmlhQGdtYWlsLmNvbQ==](https://bfsi.economictimes.indiatimes.com/news/banking/how-rbi-is-showcasing-innovations-in-agri-credit-and-cbdc-before-g20-nations/101917403?utm_source=Mailer&utm_medium=newsletter&utm_campaign=etbfsi_news_2023-07-20&dt=2023-07-20&em=cm9oaXRwYXRvcmlhQGdtYWlsLmNvbQ==)

### 5. SEBI introduces six new mutual fund strategies under ESG theme

Expanding the scope of the Environmental, Social, and Governance (ESG) thematic category, the Securities and Exchange Board of India (SEBI) has allowed asset management companies to launch funds under six new strategies.

Currently, regulatory requirements permit mutual funds to launch only one scheme with ESG investing under the thematic category for equity schemes. However, in view of the increasing need for green financing, the capital markets regulator has now decided to permit the launch of multiple ESG schemes with different strategies by mutual funds.

[https://www.moneycontrol.com/news/business/personal-finance/sebi-introduces-six-new-mutual-fund-strategies-under-esg-theme-10997001.html?utm\\_source=telegram&utm\\_medium=social#google\\_vignette](https://www.moneycontrol.com/news/business/personal-finance/sebi-introduces-six-new-mutual-fund-strategies-under-esg-theme-10997001.html?utm_source=telegram&utm_medium=social#google_vignette)

6. Government orders inspection of Byju's account books

Government has ordered an inspection into the account books of education-technology titan Byju's, which has been rocked by the resignation of its auditor and three board members last month. The Ministry of Corporate Affairs has sought a report in six weeks. The inspection follows an internal assessment of the company's state of affairs and — based on findings of the inspection — the government will decide if the matter needs to be escalated to the Serious Fraud Investigation Office.

<https://www.moneycontrol.com/news/business/government-orders-inspection-of-byjus-account-books-10938731.html>

7. NFRA Circular on Statutory Auditors' Responsibilities in Reporting Fraud in a Company

The National Financial Reporting Authority (NFRA) has released a circular addressing the responsibilities of statutory auditors in reporting fraud within a company. The circular emphasizes the mandatory reporting obligations placed on auditors by the Companies Act, 2013, and related rules and standards. It highlights the consequences for auditors who fail to report fraud and clarifies that resignation from an audit engagement does not absolve them of their reporting responsibilities.

<https://taxguru.in/company-law/nfra-circular-statutory-auditors-responsibilities-fraud-reporting.html>