

Govt proposes setting up financial data management centre

New Delhi: A government appointed panel has suggested setting up a financial data management centre (FDMC) for managing the repository of financial regulatory data to ensure stability in the economy.

The Committee, headed by Ajay Tyagi (additional secretary in finance ministry), has submitted its report and a draft bill titled 'The financial data management centre bill 2016'.

Finance minister Arun Jaitley in budget speech 2016-17 had announced setting up of financial data management centre under the aegis of the financial stability and development council (FSDC) to facilitate integrated data aggregation and analysis in the financial sector.

The Committee has "worked out for an Act to provide for the establishment of a data centre for managing the repository of financial regulatory data, to enable standardisation of data across the financial sector and providing analytical support" to the FSDC on issues related to financial stability of the economy and matters connected therewith.

The panel, in its report said that efforts should be concentrated on framing the law, setting up of centre and standardizing processes around collection of data from central level regulators and entities. "As the system matures and if it is decided to integrate data of state level financial sector regulators, the same has to be done with wide consultation with the states, which is a long drawn process.

"Hence, it was viewed that the coverage of the FDMC may be limited to all financial sector regulators notified by the central government..." the report said. The panel suggested that one of the main functions of the centre will be to establish an electronic database for financial regulatory information. It should be in-charge of the day to day operations, maintenance and updating the electronic database, analyse the data submitted in the database and provide analytical support to FSDC.

To ensure secrecy and avoid conflict of interest, the committee has recommended that member, employee or officer of the centre having access to confidential data will be not be allowed to render advice or accept any employment with a financial service provider for a period specified in the act until the person has taken approval of the centre.

To provide independence and ensure accountability while performing functions assigned to members of employees in furtherance of objectives of the centre, the committee's view was to grant the status of "public servants" to the members, officers and employees of the centre. The finance ministry has invited comments on the draft bill till 13 January 2017.

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