

## Government seeks comments on Draft Financial Resolution and Deposit Insurance(FRDI) Bill, 2016

The Finance Minister Shri Arun Jaitley in Para 90 of his Budget Speech 2016-17, had announced:

“A systemic vacuum exists with regard to bankruptcy situations in financial firms. A comprehensive Code on Resolution of Financial Firms will be introduced as a Bill in the Parliament during 2016-17. This Code will provide a specialised resolution mechanism to deal with bankruptcy situations in banks, insurance companies and financial sector entities. This Code, together with the Insolvency and Bankruptcy Code 2015, when enacted, will provide a comprehensive resolution mechanism for our economy”.

A Committee was set up pursuant to the Budget Announcement of 2016-17 on framing a draft code on resolution of financial firms. A copy each of the Report of the Committee, the Draft Bill and an explanatory note explaining the key legal provisions of the Bill is hosted on the home page of the Ministry of Finance at [www.finmin.nic.in](http://www.finmin.nic.in).

**The draft Financial Resolution and Deposit Insurance(FRDI) Bill,2016 is enclosed for your kind reference. You may kindly send your suggestions (if any) to Ms. Surbhi Sharma, Senior Research Officer, PHD Chamber at [surbhi@phdcci.in](mailto:surbhi@phdcci.in) latest by 26<sup>th</sup> October 2016.**

Warm regards,

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