



**LAW AND JUSTICE RESEARCH FOUNDATION
ACADEMY**

**CERTIFICATE COURSE ON BANKING LAW
SYLLABUS**

MARCH 2024



ABOUT LAW AND JUSTICE RESEARCH FOUNDATION ACADEMY

Law and Justice Research foundation Academy (“**The LJRF Academy**”), is an online platform promoted by Law and Justice Research Foundation. In order to fulfil the objectives of LJRF to protect legal education in India, LJRF Academy was initiated on 4th July 2020. The aim is to provide an online learning platform for law students, to assist law students to develop their interest in different subjects of law and at the same time aid them in visualizing a successful career in law. LJRF Academy also provides continuous legal education online for the public along with various technical courses for developing creative skills and expertise to keep abreast with the latest technology trends.

The Academy in association with different renowned organizations including law firms intent to provide ‘certificate courses’ of duration not more than 6 (six) months. There are times when a law student might want to become an expert in a distinct area of practice, and there are other times when they might want to learn how to critically analyze specific ideas in such area. Thus, the Academy’s Certificate courses on specific subjects will help them to gain specific expertise in a field or industry. The niche skills a law student acquires may set them apart from others if they concentrate on specific concepts of law.

Having said that, a learner under our platform will acquire valuable skills and instruction on important topics through our intensive and comprehensive courses, which take place all under one roof. By helping them master multiple concepts within a subject, courses are meticulously designed to give the learner a deeper and more comprehensive understanding of that subject.



COURSE OBJECTIVE:

In today's globally interconnected world, the functions of banks and financial institutions hold paramount importance, making it imperative for law professionals to acquire a comprehensive understanding of these domains. Against this backdrop, we propose the initiation of a three-month Certificate Course on Banking Law (“**The Course**”) in collaboration with Indialaw LLP, detailed syllabus provided below, with the primary objective of equipping participants with an in-depth knowledge of the regulatory framework governing banking in India. This course is meticulously designed to instill in participants an "entrepreneurial" mindset, emphasizing the cultivation of problem-solving skills crucial for success in both private practice and employment.

Encompassing a broad spectrum, the course will thoroughly cover banking and related segments, ensuring a holistic perspective on the multifaceted aspects of the financial industry. Participants will acquire practical, working knowledge of the banking segment, facilitating the application of theoretical concepts in real-world scenarios. The course’s pedagogy is centered around assistive learning, incorporating interactive clinics to enhance student engagement and deepen their understanding of the course content. Faculty members, drawn from practical experience in the field, will contribute valuable insights to enrich the learning experience.

A distinctive feature of the course is the integration of a capstone project, allowing participants to delve into contemporary issues such as trends in insolvency and bankruptcy realm, arbitration in lending, recent rulings in fintech segments, structuring mutual funds and more. Recognizing the importance of holistic professional development, the course includes a mentoring team to guide participants on non-legal matters such as, offering practical advice on running a practice, organizing business structures, and understanding the fundamentals of the banking profession. Through these objectives, the Certificate Course on Banking Law aims to impart regulatory knowledge and nurture practical skills, preparing students for success in the dynamic landscape of banking law.

COURSE CONTENTS:

MODULE-1 INTRODUCTION TO BANKING AND ITS EVOLUTION

1.1 Definition of Banks

- Concept and characteristics of banks.
- Early history of banking.

1.2 Evolution of Banking Institution

- Historical development of banking institutions worldwide.
- History of banking institutions in India.

1.3 Evolution of Banking Law

- Development of banking laws globally.
- Evolution of banking laws in India.

1.4 Indian Banking and Financial System

- Overview of the Indian banking system.
- Key players and institutions.

1.5 The Banking Regulation Act, 1949

- Key provisions and objectives.
- Regulatory framework for banks.

1.6 Regulation and Supervision of Public Sector Banks

- Role of regulatory bodies in overseeing public sector banks.
- Compliance and Governance.

1.7 Scheduled Commercial Banks (SCBs), RRRs, and Co-operative Banks

- Different types of banks and their roles.
- Regulatory considerations for each type.

MODULE-2 ROLE OF CENTRAL BANK AND BANKER-CUSTOMER RELATIONSHIP

2.1 Functions of Central Banks

- Overview of central banking functions.
- Role of the Reserve Bank as the Central Bank in India.

2.2 Reserve Bank of India and Commercial Banks

- Relationship between the Reserve Bank of India and commercial banks.

- Key regulations and guidelines.

2.3 The Reserve Bank of India Act, 1934

- Essential provisions and amendments.
- Regulatory powers and responsibilities.

2.5 Customers to Bank

- Legal aspects of customer relations.
- Rights and responsibilities.

2.6 General Relation of Banker to Customer

- Establishing and maintaining a banker-customer relationship.
- Legal implications.

2.7 Secrecy of Customer's Account

- Confidentiality, Non- Disclosure undertakings and privacy considerations.
- Exceptions to banking secrecy.

2.8 Deposit Insurance and Credit Guarantee Corporation Act, 1961

- Overview of deposit insurance.
- Protection for depositors.

2.9 The Prevention of Money-Laundering Act, 2002

- Anti-money laundering regulations.
- Customer due diligence.

2.10 Banking Ombudsman Scheme

- Overview and role in dispute resolution.
- Customer protection mechanisms.

2.11 Consumer Protection Act 2019

- Legal framework for consumer rights in banking.
- Dispute resolution and compensation.

2.12 Negotiable Instruments Act 1881

- Understanding negotiable instruments and their use in banking.
- Legal considerations and obligations.

2.13 Relevant Provisions of Contract Act 1872

- Application of contract law in banking transactions.
- Rights and obligations of parties.

2.14 Credit Information Companies

- Credit Information Companies and their role in banking.

- Credit reporting and risk assessment, overview, importance of TransUnion CIBIL Limited.

2.16 Relevant Provisions in RBI Act & RBI Guidelines

- Key regulatory provisions and guidelines governing banking operations.
- Compliance and implications for banks.

2.17 Payments and Settlement Systems Act 2007

- Legal framework for payment and settlement systems.
- Role of banks in payment transactions.

2.18 Bankers Book Evidence Act 1879

- Legal provisions related to bank records as evidence.
- Admissibility and use in legal proceedings.

MODULE 3: RECOVERY OF DEBTS

3.1 Non-Performing Assets

- Identification and classification.
- Impact on banking institutions.

3.2 The Recovery of Debts and Bankruptcy Act, 1993

- Legal framework for debt recovery mechanism.
- Establishment of Debt Recovery Tribunals (DRT and DRAT).

3.3 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI), 2002

- Empowering banks for debt recovery.
- Procedures and mechanisms under SARFAESI.
- Functioning of Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) & requirement of registration of charges.

3.4 Financial Aspects of Debt Recovery

- Understanding the financial aspects of debt recovery.
Fee structure and considerations before Debt Recovery Tribunals

3.5 Jurisdiction and Powers of Debt Recovery Tribunals

- Authority and jurisdiction of tribunals.
- Legal powers in the debt recovery process.

3.6 Procedures of the Debt Recovery Tribunals

- Filing of recovery applications, documents in the debt recovery process.

- Compliance with legal procedures and the application of the Limitation Act 1963.

3.7 One Time Settlement

- Negotiation and settlement options.
- Legal implications and determination of OTS amount and terms of payment.

3.8 Settlement or Compromise

- Legal considerations for settling debts including Compromise Settlements and Technical Write-Offs.
- Impact on both parties.

3.9 Appeals to Appellate Tribunals (DRATs)

- Powers and authority of DRATs.
- Process and procedures for appeals.

3.10 Modes of Recovery of Debts

- Understanding different methods of debt recovery.
- Legal and practical considerations.

3.11 Appeals against Order of Recovery Officer

- Legal procedures for challenging recovery orders.
- Appellate mechanisms.

3.12 Certificate of Recovery

- Validity of certificates and necessary amendments.
- Stay of proceedings and the Power of Presiding Officer thereof.

3.13 Analysis of Landmark Judgments Pertaining to Recovery of Debts by Indian Courts

- Review and understanding of significant legal cases.
- Implications for debt recovery practices.

MODULE 4: BANKS' ROLE IN INSOLVENCY RESOLUTION PROCESS

4.1 Relevance of Insolvency and Bankruptcy

- Understanding the importance of insolvency and bankruptcy laws.
- Historical context and evolution.

4.2 Understanding Insolvency and Bankruptcy Code, 2016

- Overview and key provisions of the IBC.
- Legal framework for corporate insolvency.

4.3 Laws before the IBC: Winding Up Under Different Legislations

- Previous legal mechanisms for winding up.

- Transition to the IBC.

4.4 Creditor Actions under the IBC

- Classification, rights and actions available to creditors.
- Initiation of insolvency proceedings.
- Legal frameworks in the insolvency process.

4.6 Insolvency Resolution Process and Resolution Plans

- Procedures for insolvency resolution.
- Development and approval of resolution plans.

4.7 Appointment, Role, and Duties of a Resolution Professional

- Responsibilities and qualifications of resolution professionals.
- Role in the insolvency resolution process.

4.8 The Aftermath of the Insolvency Resolution Process

- Consequences and outcomes of successful resolution.
- Impact on stakeholders and the economy.

4.10 NeSL (Information Utility) under IBC

- Information utilities and their significance in insolvency proceedings.

Role and functions in the context of the IBC.

4.9 Analysis of Landmark Judgments under the IBC

- Review and understanding of significant legal cases.
- Implications for insolvency resolution practices.

MODULE 5: RECENT TRENDS AND PRACTICAL ASPECTS

5.1 Current Trends in Banking

- Exploration of contemporary developments in the banking sector
- Impact of technology, globalization, and regulatory changes

5.2 LC, BG, SBLC, etc., and ICC Publications Concerned

- Understanding letters of credit, bank guarantees, and related instruments.
- ICC publications and guidelines in international trade finance.

5.3 Lending to Different Types of Customers (Company, LLP, Partnership, Society, Trust, INVIT, REIT, etc.)

- Legal considerations for lending to various entities.
- Due diligence and documentation requirements.

5.4 InVITs and REITs

- Overview of Infrastructure Investment Trusts (InVITs) and Real Estate Investment Trusts (REITs).
- Legal and regulatory aspects in banking transactions.

5.5 Relevant SEBI Guidelines

- Securities and Exchange Board of India guidelines impacting banking operations.
- Compliance and implications for banks.

5.6 Creation of Security (by Regd Mortgage, Equitable Mortgage, Pledge, Hypothecation, Assignments, etc.) and Various Registration/Noting Requirements Under Law to Perfect Such Charge

- Understanding the creation and registration of different types of security interests.
- Legal requirements for perfection and enforcement.

5.7 Bankers Lien, Set-off, Guarantee, NDUs, etc.

- Bankers' rights and remedies in various situations.
- Legal considerations for lien, set-off, guarantees, and non-disposal undertaking.

5.8 Relevant Provisions in TP Act, Companies Act, IT Act, PMLA, RTI Act, FEMA Act

- Applicable legal provisions from various acts impacting banking transactions.
- Compliance and legal considerations for banks.

5.9 Practical Aspects of Banking Law

- Application of theoretical knowledge in practical scenarios.
- Case studies and real-world examples.

5.10 Emerging Issues in Banking Law

- Discussion on new and emerging challenges.
- Future trends and considerations.

MODULE 6: EMERGING DIMENSIONS AND LEGAL CONSIDERATIONS

6.1 Project Finance Fundamentals: ESG Funding and Green Finance

- Fundamentals of project finance.
- Integrating Environmental, Social, and Governance (ESG) criteria in project finance.
- Exploring trends and practices in green finance within project financing.

6.2 Sustainable Finance Practices

- Examining the role of banks in promoting sustainable and responsible financial practices.

- Integrating Environmental, Social, and Governance (ESG) criteria in banking operations.

6.3 Investment Banking: Equity Funding, Instruments, Regulatory Structure

- Understanding equity funding mechanisms in investment banking.
- Exploring various instruments and the regulatory framework governing equity transactions.

6.4 Investment Banking: Debt Funding, Instruments, Participants

- Analyzing debt funding instruments and the role of different participants in the investment banking landscape.
- Regulatory considerations in debt financing.

6.7 Case Studies and Practical Application

- Analyzing real-world scenarios to understand the practical implications of recent trends and legal considerations in banking and investment.
- Application of knowledge gained in the module to address contemporary challenges in the banking landscape.