



Financial Stability and Development Council (FSDC) Meeting

Why in News

Recently, the Finance Minister chaired the **24th meeting** of the [Financial Stability and Development Council \(FSDC\)](#).

- The council **discussed** issues relating to management of [stressed assets](#), strengthening institutional mechanisms for financial stability analysis, issues related to [IBC \(Insolvency and Bankruptcy Code\)](#), data sharing mechanisms of government authorities, internationalisation of the Indian rupee and pension sector related issues.

Key Points

▪ Establishment:

- A **non-statutory apex council under the Ministry of Finance** constituted by the Executive Order in 2010.
- The **Raghuram Rajan committee (2008)** on financial sector reforms first proposed the creation of FSDC.

▪ Composition:

- It is chaired by the Finance Minister and its **members include** the heads of all Financial Sector Regulators (**RBI, SEBI, PFRDA & IRDA**), Finance Secretary, Secretary of Department of Economic Affairs (DEA), Secretary of Department of Financial Services (DFS), and Chief Economic Adviser.
 - In 2018, the government reconstituted FSDC to include the Minister of State responsible for the Department of Economic Affairs (DEA), Secretary of Department of Electronics and Information Technology, Chairperson of the [Insolvency and Bankruptcy Board of India \(IBBI\)](#) and the Revenue Secretary.
- **FSDC sub-committee** is headed by the **Governor of RBI**.
- The Council can **invite experts to its meeting if required**.

▪ Functions:

- To **strengthen and institutionalize the mechanism** for maintaining financial stability, enhancing inter-regulatory coordination and promoting financial sector development.
- **To monitor macro-prudential supervision of the economy**. It assesses the functioning of the large financial conglomerates.

[Source: TH](#)

