

Financial Stability and Development Council (FSDC)

Source: ET

Recently, the **Financial Stability and Development Council's** (FSDC) sub-committee, chaired by Reserve Bank of India (RBI) Governor convened to review significant global and domestic macroeconomic and financial developments.

• It focused on inter-regulatory coordination and assessed potential risks to financial stability in light of emerging challenges such as global spillovers, cyber hazards, and climate change.

About FSDC:

- It is 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.
- The FSDC aims to monitor macroeconomic and financial developments, assess risks to financial stability, enhance coordination among financial regulators, and promote financial inclusion and development.
- It is chaired by the Union Finance Minister and includes the heads of financial sector regulators such as the RBI, SEBI, Insurance Regulatory and Development Authority of India (IRDAI), and Pension Fund Regulatory and Development Authority (PFRDA) and Chief Economic Adviser (CEA) among others.

FSDC Sub-Committee:

- The FSDC is supported by a Sub-Committee (FSDC-SC), set up under thechairmanship of the Governor of RBI. It meets more often than the full FSDC.
- It includes all FSDC members, four RBI Deputy Governors, and the Department of Economic Affairs (DEA) Additional Secretary.

Financial Stability and Development Council

The FSDC, set up in 2010, is a body consisting all regulators and the Ministry of Finance. It is the highest forum in matters relating to financial stability. The Council is chaired by the Union Finance Minister



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