



CFA Society
India

India Insights

April 2021

Thought Leadership In Action



EDITORIAL

The 'India Insights: Thought Leadership In Action' aims to publish articles that help the readers learn about the CFA Society India's contribution to local advocacy efforts relevant to India. The newsletter will concern itself with issues in ESG, Sustainable Investing, ethics, corporate disclosures, and other development areas of finance and investing in India. While maintaining the high standards of CFA Institute, these articles would present the Society's consensus views on new regulations and industry deliberations for matters that impact the Financial, Accounting and Investment aspects related to Corporate India and the Investment Community at large.

The First Newsletter also updates the readers about various activities that the Society members and advocacy sub committees pursued in the previous quarter such as the Ethics Challenge, Women in Finance and scholarly articles from fellow CFAs leading Asset Management groups in India. We hope this coffee table read provides members with updated content on regulatory enhancements and new and emerging topics in Investing. We welcome your feedback.

Best Regards,

Volunteer Editors

Shamit Chokshi, CFA

Nimisha Pandit, CFA

CFA SOCIETY INDIA'S RESPONSE TO SEBI'S CONSULTATION PAPER ON THE FORMAT FOR BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING



SEBI's discussion paper on Business Responsibility and Sustainability Reporting for corporates, if implemented will help align businesses in our country with the Sustainable Development Goals (SDGs), and the United Nations Guiding Principles on Business & Human Rights (UNGPs). Our policy advocacy group debated the consultation paper and made valuable suggestions to the regulator, with a focus on enhanced transparency, ethical business conduct, and equitable and inclusive work culture in the country.

[Link to SEBI's Consultation Paper](#)

Some of the major suggestions of the Advocacy group are path breaking for India, backed with global insights and practices. We remain optimistic that many of our suggestions can be adopted in the first regulatory policy. It is a proud moment to see that CFA Society India is playing an active role in shaping the future of Indian BRSR regulations through its global knowledge and expertise of its members.

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Some of the suggestions made include:

1. Establishing industry specific disclosures : SEBI could create a body similar to, or, partner with Sustainability Accounting Standards Board (SASB) to establish industry specific disclosures



2. Covering CSR disclosures within the Management and Process Disclosures (Governance, Leadership and Oversight)

3. Companies to be asked to form ESG committee comprising independent members. The committee or the company shall conduct stakeholder meeting on an annual basis, and provide the necessary disclosures regarding their adherence to ESG standards

4. Improving work culture and environment for women to enhance diversity and inclusion across industries

Our complete response to SEBI can be accessed at this [link](#)



CFA INSTITUTE'S ESG DISCLOSURE STANDARDS FOR INVESTMENT PRODUCTS



CFA Institute is leading the development of a global industry standard for ESG-related investment products to introduce consistency in the disclosures and greater transparency for investors. The standard aims to provide a globally consistent and comparable policy disclosure of ESG-related features across investment products.

CFA Society India took the opportunity to provide feedback on the proposed guidelines put forward by CFA Institute. The contributing group comprised of industry leaders actively involved in the ESG and investing field in India and had an in-depth understanding of the practical implementation of these standards.



[Tap here to read the full article](#)



CFA INSTITUTE'S POSITION PAPER ON CORPORATE GOVERNANCE AND ESG DISCLOSURES IN THE EU



Sustainability and corporate governance practices are constantly evolving in the EU. Several measures have been put in place in the EU with the objective of encouraging the integration of ESG factors in the investment process of organizations, while ensuring, at the same time, investor protection and adequate shareholder rights.

The Covid-19 crisis, which highlighted that important investor protection issues are still present, could be seen as an opportunity for regulators, companies, and investors to improve corporate governance standards and increase their focus on social and environmental interests, which should be embedded into business strategies. Policymakers' willingness to initiate a shift to more sustainable processes is clear, and the current crisis is likely to accelerate this transition.



[Tap here to read the full article](#)



RESEARCH NOTE WRITING CHALLENGE – A WOMEN IN FINANCE INITIATIVE



For the International Women's Day, CFA Society India held a 'Research Note Writing Challenge' to celebrate the spirit of women professionals in finance. Forty participants submitted their riveting pieces of investment research on 'Key Themes that will emerge and shape the Indian economy over the next 5 years'.

Farida Khambata, CFA Co-founder - Cartica Capital and the first Indian woman to receive the CFA charter; and Shereen Bhan, Managing Editor - CNBC TV18 and India's leading business journalist were the external judges for the competition.

Winners of the challenge are

1. Namrata Mittal, CFA, Economist, SBI Funds Management
2. Jyoti Nathani, CFA, Analyst, GSN Invest
3. Aastha Agnihotri, Financial Analyst, Acquity Knowledge Partners

The challenge concluded with a Women's Day Special webinar where winners showcased their research. In the webinar, participants got a chance to interact with the eminent judges and learn about their views on themes and trends that will shape the Indian economy.

CFA SOCIETY INDIA'S ETHICS CHALLENGE



As per the fourth edition of 'Trust Survey' conducted by CFA Institute in October and November 2019, 87% of Indian investors trust domestic financial markets, up from 71 per cent in 2018. By comparison, 47 per cent of investors globally and 49 per cent of investors in Asia Pacific trust the financial services industry. Ethics and integrity play a crucial role in building the trust and creating value for all stakeholders. That's why we put high emphasis on the CFA Institute Code of Conduct.

As part of CFA Society India's continuous endeavour to inculcate highest standard of ethics & excellence in the investment profession, we held the first-ever edition of our Ethics Challenge for aspiring professionals and a public Quiz on social media. 18 teams from 14 business schools participated in the inaugural Ethics Challenge.

The winning teams are:

1. Indian Institute of Management, Shillong
2. Indian Institute of Management, Tiruchirappalli
3. Vinod Gupta School of Management, IIT Kharagpur



OTHER ADVOCACY INITIATIVES

CONSULTATION PAPERS

- Compliance Standards For Index Providers – [Link](#)
- Disclosures Pertaining to Analyst Meets, Investor Meets & Conference Calls – [Link](#)
- The Applicability and Role of the Risk Management Committee – [Link](#)
- Listing Obligations and Disclosure Requirements – [Link](#)

REGULATORY & INSTITUTIONAL ENGAGEMENT

- Participation in cross-regional Investment Performance Reporting Roundtable Discussion
- Roundtable discussion with AMC on Stewardship Code - [Link](#)

EVENTS, PROGRAMS & COMPETITIONS

- 2nd Corporate Governance in Investing Summit – Event info – [Blog](#)
- Webinar for Suggestions to Improve the Information Companies Provide to Investors About Mergers & Acquisitions - [Event Info](#)

RESEARCH PUBLICATIONS & BLOGS

- Research Paper – Evolution of Capital Markets in India [Link](#)
- Reforms Getting Unnoticed – Is It Boon or A Bane – [Link](#)
- Climate Change: What can Indian Investors do about it? – [Link](#)

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