



29th Financial Stability and Development Council (FSDC)

Why in News?

The Union Minister for Finance and Corporate Affairs chaired the **29th meeting of the [Financial Stability and Development Council \(FSDC\)](#)** in **Mumbai, Maharashtra**.

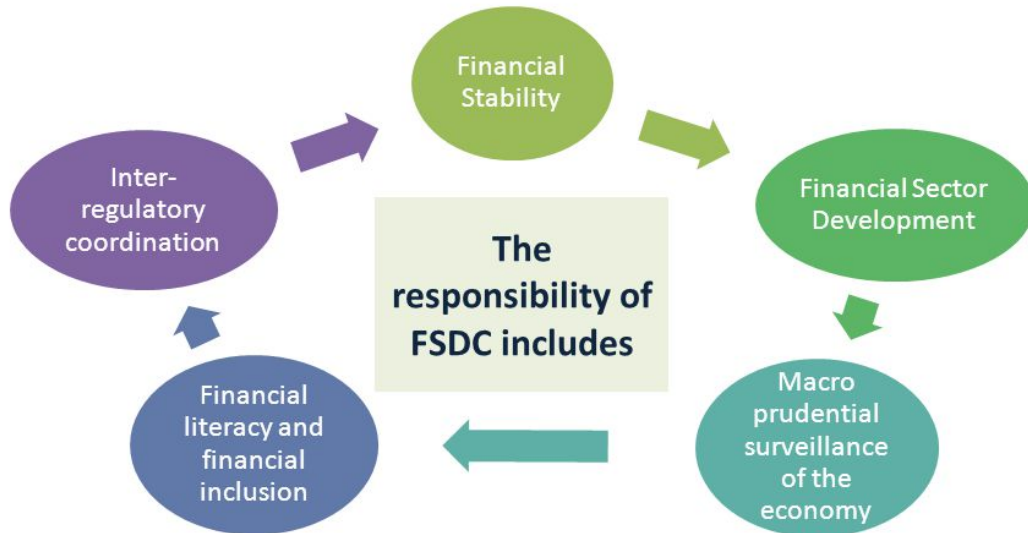
Key Points

▪ About FSDC:

- The FSDC is a **non-statutory apex council** established by an executive order in **2010**. It functions **under the aegis of the Ministry of Finance**.
- The idea for creating the FSDC was first recommended by the **Raghuram Rajan Committee on Financial Sector Reforms in 2008**.
- 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.
- **Key Objectives:**
 - To monitor macroeconomic and financial sector developments.
 - To assess and manage systemic risks that may threaten financial stability.
 - To enhance inter-regulatory coordination among key financial sector regulators.
 - To foster financial sector development and promote financial inclusion across the country.

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



- **Deliberations of the 29th FSDC Meeting:**
 - **Focus on Macro-Financial Stability:**
 - The FSDC **discussed key issues concerning** macro-financial stability and India's preparedness to manage associated risks.
 - The Council emphasised vigilance in light of both domestic and global macroeconomic trends.
 - **Cybersecurity and Resilience Strategy:**
 - Based on the analysis of sectoral [cybersecurity](#) preparedness and the [Financial Sector Assessment Programme \(FSAP\) 2024-25](#) recommendations, the FSDC proposed a financial sector-specific cybersecurity strategy.
 - The aim is to **strengthen the cyber resilience framework** across financial regulators and institutions.

Note: The **Financial Sector Assessment Program (FSAP)** is a periodic assessment jointly conducted by the [IMF](#) and [World Bank](#) in countries with significant financial sectors, which **aims to comprehensively analyse financial stability and sector development**.

- India underwent its first FSAP in 2011-12 and the second in 2017 and India's third FSAP is scheduled for 2023-24, with reports expected to be published by February 2025.