



1. What is Credit Market Academy?

Credit Market Academy (CMA) is an initiative of Credit Market Services Limited. CMA has been created with the objective of creating a liquid credit market, through the introduction of international best practices, such as, transparent market mechanism for price discovery, standardization for easy access and facilitating the market participants through research, information and training on the credit market. CMA would strive to promote consensus in the loan market by providing a common platform to all market players such as Banks, Insurance Companies, Mutual Funds, Financial Institutions and other finance companies to share and benefit from the experience of the players in the Credit Market.

2. What is the significance of CMA?

The significance of CMA is that this is the first time where all industry associations in the Indian BFSI segment have come together to form a single body. It is also important to mention that heads of these Industry Associations or eminent persons representing these Industry Associations are permanent members of the Advisory Council of CMA. It is expected that this forum would create a lot value to the credit market players.

3. Who are the driving forces behind CMA?

CMA has an Advisory Council represented by eminent people who would provide direction and guidance to CMA. The Advisory Council is headed by Dr. R.H. Patil, as Chairman. The other members are:

- ✓ Dr. K. Ramakrishnan, Chief Executive, IBA
- ✓ Mr. A.P.Kurian, Chairman, AMFI
- ✓ Mr. V. Srikanth, Chairman, FIMMDA
- ✓ Mr. S.B. Mathur, Secretary General, Life Insurance Council
- ✓ Mr. A.V. Muralidharan, Nominee, General Insurance Council
- ✓ Ms. Zia Mody, Senior Partner, AZB & Partners (Law Firm)
- ✓ Dr. Bala V. Balachandran, Professor, Kellogg School of Management
- ✓ Mr. Joseph Massey, MD & CEO, MCX
- ✓ Mr. D. Ravishankar, CEO & Co-Founder, CMSL.



4. What is so significant about CMA that we should become members, especially when we have our own industry association?

It is true that each of the Industry Association, such as IBA for Banks, AMFI for Mutual Funds, LIC Council for Life Insurance Companies and GIC Council for General Insurance Companies, introduce a number of best practices for their respective segments. However, if these are pooled and shared across these segments, then the market as a whole would benefit immensely.

The significance of CMA is that this is the only organization that would attempt to bring the knowledge and expertise available across the banking, insurance, and asset management businesses in to a common platform. The plan is to use CMA platform to share the information and knowledge for the mutual benefit of all market players. As a representative of BFSI segment, CMA will be in a position to take up matters that concern the development and functioning of the Indian Credit Market.

5. How will CMA benefit us?

CMA will work very closely with the industry experts on topics that are relevant for the Indian Credit Market. Credit Market Advisory Council will take up topics that are relevant for Indian Credit Market and form task forces to undertake specific studies from time to time and such reports will be made available to members. It is important to note that the task forces would be created within the members such as, Banks, Mutual Funds, Insurance Companies. For e.g. CMA has already constituted a taskforce on standardization of documents. This taskforce has been entrusted with the work of bringing-in the international best market practices on loan documentation and customize them to conform to the local Laws and Regulations. Standardization is the precursor to many other objectives that CMA will undertake in due course of time.

There are other benefits that the members can enjoy once they become members of CMA.



- ❖ Credit Market Academy plans to provide special web-site access for members and provide publicly available information on Credit Markets, in a structured manner. This knowledge base on credit markets would include collections from BIS, European Committee of Banking Supervision, Regulators' information from all over the world, International trends & market mechanism practices, best practices in the credit function, credit risk management, etc.
- ❖ Be a part of the knowledge sharing through the web-community. Web community is the concept that CMA is currently working on, whereby the community members (say Treasurers) could share their experiences on common issues. The web community will be an exclusive area that could be accessed only by members of that community. It is proposed to create web-communities for specific set of specialized functions, such as Chief Risk Officers, Chief Credit Officers, Treasurers, etc.
- ❖ Issues of importance for the credit market participants would be taken up and presented before the Regulators on policy related matters.
- ❖ Attending workshops, seminars, training programs.
- ❖ Accessing case studies that are relevant for BFSI segment
- ❖ Information about the forthcoming conferences, seminars, workshops, courses.
- ❖ Benefits of market mechanism in the Credit Markets

6. Is there a fee to become a member of CMA?

As this is a new concept and to make it popular, CMA has decided to waive the membership fee provided the enrollment is completed within the near short term.

7. What are the other plans of CMA?

CMA strongly believes that the skill sets in the credit market needs continuous up-gradation. This can be achieved only if there are training programs that are specifically designed to meet the current trend and the happenings in the market place. For e.g. there is tremendous demand in understanding the current global crises both from the perspective as credit market professionals as well as others. Similarly, there are no specialized certification programs in the areas of Credit and Treasury. CMA is in the process of setting up a Global Institute of Treasury and Credit Markets (GTCM). GTCM will provide specialized training and certification programs



for the Treasury and credit market professionals that could cater to the needs of issuers, intermediaries, professionals and academia. GTCM would enter into strategic alliances with international and national educational institutions in designing the course offerings.

8. Would the certification programs enable a candidate to obtain employment?

As mentioned above, the idea behind introducing the certification program is to enhance the skill sets in the Credit Market. It is CMA's endeavor to upgrade the skill sets by providing in-depth understanding of credit market related topics such as derivatives, leveraged finance, distressed debts, structured products, securitization, Basel II, fixed-income markets etc.,

The certification program is being designed in three levels viz., Basic, Professional and Expert. Having said this, there is no guarantee at this stage that a person qualifying in the certification program would get a job. Never the less, this would be a knowledge value proposition.

9. Will CMA enable specific Research on topics which we recommend? If yes, can this research be used exclusively by us?

The current focus of CMA is to aggregate the global best practices in the credit market domain. Our knowledge repository would be geared towards providing the most contemporary information available globally to the Indian BFSI segment. Should your research topic fall beyond our repository of existing information, and is critical for the development of the credit market, we would definitely include this in our mandate. However, CMA will be the sole owner of all research undertaken by CMA and the members will have access to such reports. In other words, no member enjoys exclusivity of the research reports.

10. Does CMA plan to orchestrate conferences and seminars in the Credit Market domain? When can we expect an Event Calendar to be communicated to us?

As mentioned above, CMA is in the process of building upon its knowledge base so as to attain a critical threshold on domain specific information. Once this is achieved, CMA would definitely consider sharing such inputs through focused conferences and seminars. However, at this juncture, it would be preliminary to comment on the event calendar. Given the momentum and help from our members, we should be able to work towards this aspect over the next 6 months.



11. Would CMA also come out with publications relevant to the domain? Is there a comprehensive list of such publications that we can pursue?

CMA would create a repository of best practices and upload them on the website. Members would be able to access such information. CMA would enable downloads of articles subject to the terms and conditions of use.

12. When can a player from the international BFSI segment become a member of CMA? What would be the fee structure for such members?

The CMA is open to receiving and accepting Members from the BFSI domain across borders. However, our immediate focus is to address the domestic players, consolidate our repository and outreach model before approaching the global markets. However, we expect to open memberships for foreign institutions in 2009.

13. Are there Branding opportunities available to Members in your website? Can this be enumerated upon?

Yes, we could address branding opportunities at our website. As mentioned earlier, this would be a function of our scalability and reach and we expect this process to be completed by the end of this year. Thereafter, we can consider outreach and visibility options in our website. We will provide more information on this, in due course of time.