FICCI Comments on the Passage of PFRDA Bill

New Delhi, 5 September, 2013: FICCI welcomes the passage of the long pending PFRDA Bill that will allow for one to plan for old age income security. During times of rising costs, volatile markets and an active post retirement lifestyle, it has become even more important today for one to plan for retirement from an early age.

FICCI is confident that the passing of this bill will lay the road for new products and players to enter the pensions market. The competition may even help in increasing efficiencies and quality of service. The statutory powers bestowed on the interim regulator, PFRDA, will help in regulating the market and building greater accountability.

FICCI has been involved in the promotion of NPS through its membership base to increase the penetration of NPS, which has been tepid, since it opened up for all citizens in 2009. The Bill will provide fresh, and much required, impetus to promoting NPS across all age groups and industry.

Currently, there are around eight pension managers who manage both private and public sector NPS. With the increase in FDI limit to 26%, FICCI is certain that many foreign players will enter the sector at this opportune time when the country is in need of foreign investments.
Tagging the FDI limit in pensions to FDI limit in insurance will ensure an automatic increase in FDI limit to 49% with the passage of the Insurance Bill in the Winter Session. “We sincerely hope that the Insurance Bill too in passed without further delay in the winter session to pave the way for foreign inflows and for mobilizing long term funds to meet infrastructure funding requirements,” **stated Dr. A. Didar Singh, Secretary General, FICCI.**

FICCI believes that the passing of the PFRDA Bill, and hopefully that of the Insurance Bill, will go a long way in helping India meet our one trillion dollar infra deficit over the next five years.

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