



RBI/2020-21/42

DOR.BP.BC.No15/21.06.201/2020-21

September 29, 2020

All Commercial Banks  
(Excluding Small Finance Banks, Payment Banks, RRBs and LABs)

Dear Sir/Madam,

**Basel III Capital Regulations- Review of transitional arrangements**

Please refer to [circular DOR.BP.BC.No.45/21.06.201/2019-20 dated March 27, 2020](#) on 'Basel III Capital Regulations- Review of transitional arrangements'.

2. In view of the continuing stress on account of COVID -19, it has been decided to defer the implementation of the last tranche of 0.625 per cent of the Capital Conservation Buffer (CCB) from September 30, 2020 to April 1, 2021. Accordingly, the minimum capital conservation ratios in para 15.2.2 of Part D 'Capital Conservation Buffer Framework' of [Master Circular, DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015](#) on 'Basel III Capital Regulations', shall continue to apply till the CCB attains the level of 2.5 per cent on April 1, 2021.

3. The pre-specified trigger for loss absorption through conversion / write-down of Additional Tier 1 instruments (Perpetual Non-Convertible Preference Shares and Perpetual Debt Instruments), shall remain at 5.5 per cent of risk weighted assets (RWAs) and will rise to 6.125 per cent of RWAs from April 1, 2021.

Yours faithfully

(Usha Janakiraman)  
Chief General Manager