RBI/2019-20/188
DOR.BP.BC.No.45/21.06.201/2019-20                                                           March 27, 2020

All Scheduled Commercial Banks (Excluding RRBs and LABs)

Dear Sir/Madam,

Basel III Capital Regulations- Review of transitional arrangements

As announced in para 9 of the Statement on Developmental and Regulatory Policies issued along with the Seventh Bi-monthly Monetary Policy Statement 2019-20, the implementation of the last tranche of 0.625% of Capital Conservation Buffer (CCB) shall stand deferred from March 31, 2020 to September 30, 2020.

2. Accordingly, 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’, as applicable from March 31, 2018, will also apply for a further period of six months from March 31, 2020 till the CCB attains the level of 2.5% on September 30, 2020.

3. Further, the pre-specified trigger for loss absorption through conversion / write-down of Additional Tier 1 instruments (PNCPS and PDI) shall remain at 5.5% of RWAs and will rise to 6.125% of RWAs on September 30, 2020.

Yours faithfully

(Saurav Sinha)
Chief General Manager-in-Charge