



भारतीय रिज़र्व बैंक  
**RESERVE BANK OF INDIA**

[www.rbi.org.in](http://www.rbi.org.in)

RBI/2020-21/115

DOR.CAP.51/21.06.201/2020-21

March 30, 2021

All Scheduled Commercial Banks  
(excluding Regional Rural Banks)

Madam / Dear Sir,

**Bilateral Netting of Qualified Financial Contracts- Amendments to Prudential Guidelines**

The Bilateral Netting of Qualified Financial Contracts Act, 2020 (hereafter referred to as “the Act”), has been notified by the Government of India vide Gazette Notification No. S.O. 3463(E) dated October 1, 2020. The Act provides a legal framework for enforceability of bilateral netting of qualified financial contracts (QFC).

2. In exercise of the powers conferred by section 4(a) of the Act, the Reserve Bank, vide Notification no. FMRD.DIRD.2/14.03.043/2020-21 dated March 9, 2021, has since notified (a) “derivatives”; and (b) “repo” and “reverse repo” transactions as defined under Section 45(U) of Chapter III-D of the Reserve Bank of India Act, 1934 as a QFC.

3. Accordingly, select instructions contained in the following circulars have been modified/ amended appropriately:

- a) [Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015](#) on ‘Basel III Capital Regulations’ as provided in [Annex 1](#);
- b) [Circular DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018](#) on ‘Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) – Final Guidelines’ as provided in [Annex 2](#);
- c) [Master Circular DBR.No.BP.BC.2/21.04.048/2015-16 dated July 1, 2015](#) on ‘Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances’ as provided in [Annex 3](#); and



- d) [Master Circular DBR.No.BP.BC.4./21.06.001/2015-16 dated July 1, 2015](#) on Prudential Guidelines on Capital Adequacy and Market Discipline-New Capital Adequacy Framework (NCAF) as provided in [Annex 4](#).

The revised instructions come into force with immediate effect.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager