



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2012-13/508

DBOD.BP.BC. No.95/21.06.001/2012-13

May 27, 2013

The Chairman and Managing Director/
Chief Executive Officer of
All Scheduled Commercial Banks
(excluding LABs and RRBs)

Dear Sir

**Prudential Guidelines on Capital Adequacy and Market Discipline -
New Capital Adequacy Framework (NCAF) - Parallel Run and Prudential Floor**

Please refer to our [circular DBOD.BP.BC.No.71/21.06.001/2010-11 dated December 31, 2010](#) on the above subject, in terms of which banks were advised to continue with the parallel run for a period of three years, till March 31, 2013, subject to review. Banks were also advised to ensure that their Basel II minimum capital requirement continues to be higher than the prudential floor of 80% of the minimum capital requirement computed as per Basel I framework for credit and market risks.

2. The matter has been reviewed and the parallel run and prudential floor for implementation of Basel II vis-à-vis Basel I is hereby withdrawn.

3. In view of the above, banks are not required to furnish a copy of parallel run report to Reserve Bank of India in the reporting format prescribed in para 2.4 read with Annex 1 of the Master Circular on Prudential Guidelines on Capital Adequacy and Market Discipline- New Capital Adequacy Framework (NCAF) [DBOD.No.BP.BC.16/21.06.001/ 2012-13 dated July 2, 2012](#).

Yours faithfully,

(Chandan Sinha)
Principal Chief General Manager