

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 <u>Statement on Developmental and Regulatory Policies</u> issued along with the <u>Seventh Bi-monthly Monetary Policy Statement 2019-20</u>, 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 <u>Master Circular, DBR.No.BP.BC.1/21.06.201/2015-16</u> 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