



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

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

RBI/2019-20/178

DOR.No.BP.BC.43 /21.01.003/2019-20

March 23, 2020

All Scheduled Commercial Banks  
(Excluding Regional Rural Banks)

Dear Sir/Madam,

### Large Exposures Framework

Please refer to our [circular No.DBR.No.BP.BC.43/21.01.003/2018-19 dated June 03, 2019](#) on the captioned subject.

2. In terms of para 7.13 of the circular, any Credit Risk Mitigation (CRM) instrument (e.g. SBLC/BG from Head Office/other overseas branch) from which CRM benefits like shifting of exposure/ risk weights etc. are not derived, may not be counted as an exposure on the CRM provider.

3. Banks have sought clarity on whether the above-mentioned guidelines will apply to exposures to a person resident outside India also. In this connection, it is clarified that the above clause will also apply to non-fund based credit facilities provided to a person resident outside India ie., the exposure can be reckoned on the person resident outside India instead of treating it as an exposure on Head Office/ other overseas branch,

विनियमन विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, 12वीं/ 13वीं मंजिल, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400001

टेलीफोन/ Tel No: 22661602, 22601000 फैक्स/ Fax No: 022-2270 5691

Department of Regulation, Central Office, Central Office Building, 12<sup>th</sup>/ 13<sup>th</sup> Floor, Shahid Bhagat Singh Marg, Fort, Mumbai – 400001

हिंदी आसान है, इसका प्रयोग बढ़ाइए

provided the transaction is otherwise compliant with Foreign Exchange Management (Guarantees) Regulations, 2000 (FEMA 8).

4. The exposures thus shifted to a person resident outside India, will attract a minimum risk weight of 150%.

5. It has been decided that non-centrally cleared derivatives exposures will be outside the purview of exposure limits till April 01, 2021.

Yours faithfully,

(Saurav Sinha)  
Chief General Manager-in-Charge