भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2019-20/12
DBR.BP.BC.No.2/21.04.098/2019-20

July 5, 2019

All Scheduled Commercial Banks
(Excluding RRBs) & Small Finance
Banks (SFBs)

Dear Sir/Madam

Basel III Framework
on Liquidity Standards - Liquidity Coverage Ratio (LCR),
FALLCR against credit disbursed to NBFCs and HFCs

Please refer to our DBR.BP.BC.No.34/21.04.098/2018-19 dated April 4, 2019 wherein banks have been permitted to reckon, in a phased manner, an additional 2 per cent of government securities held by them under Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) within the mandatory SLR requirement, as Level 1 HQLA for the purpose of computing Liquidity Coverage Ratio (LCR).

2. As per the roadmap, FALLCR is scheduled to increase by 0.50 per cent of NDTL on August 1 and December 1, 2019, respectively. It has been decided that, with immediate effect, banks will be permitted to reckon this increase in FALLCR of 1.0 per cent of the bank's NDTL as Level 1 HQLA for computing LCR, to the extent of incremental outstanding credit to NBFCs and Housing Finance Companies (HFCs) over and above the amount of credit to NBFCs/HFCs outstanding on their books as on date. The frontloading of FALLCR of one per cent, exclusively meant for incremental exposure to NBFCs/HFCs, will form part of general FALLCR as and when the increase in FALLCR takes place as per original schedule on August 1 and December 1, 2019.

3. All other instructions as per our circular ibid remain unchanged.

Yours faithfully,

(Saurav Sinha)
Chief General Manager-in-Charge