

April 15, 2025

Review of Requirement of Counter-Cyclical Capital Buffer

The framework on countercyclical capital buffer (CCyB) was put in place by the Reserve Bank in terms of guidelines issued on February 5, 2015 wherein it was advised that CCyB would be activated as and when circumstances warranted, and that the decision would normally be pre-announced. The framework envisages credit-to-GDP gap as the main indicator, which may be used in conjunction with other supplementary indicators.

Based on review and empirical analysis of CCyB indicators, it has been decided that it is not necessary to activate CCyB at this point in time.

Press Release: 2025-2026/104

(Puneet Pancholy) Chief General Manager