


भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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December 26, 2018

RBI constitutes Expert Committee on Economic Capital Framework

As decided by the Central Board of Reserve Bank of India (RBI) in its meeting held on [November 19, 2018](#), the RBI, in consultation with the Government of India, has today constituted an Expert Committee to review the extant Economic Capital Framework of the RBI. The composition of the Committee is as under:

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| 1) | Dr. Bimal Jalan Former Governor, Reserve Bank of India | Chairman |
| 2) | Dr. Rakesh Mohan Former Deputy Governor, Reserve Bank of India and former Secretary, Department of Economic Affairs, Ministry of Finance, Government of India | Vice Chairman |
| 3) | Shri Bharat Doshi Director, Central Board, Reserve Bank of India | Member |
| 4) | Shri Sudhir Mankad Director, Central Board, Reserve Bank of India | Member |
| 5) | Shri Subhash Chandra Garg Secretary, Department of Economic Affairs, Ministry of Finance, Government of India | Member |
| 6) | Shri N.S. Vishwanathan Deputy Governor, Reserve Bank of India | Member |

2. The terms of reference of the Committee are given below:

2.1 Keeping in consideration (i) statutory mandate under section 47 of the RBI Act that the profits of the RBI shall be transferred to the Government, after making provisions 'which are usually provided by the bankers', and (ii) public policy mandate of the RBI, including financial stability considerations, the Expert Committee would:

- review status, need and justification of various provisions, reserves and buffers presently provided for by the RBI; and
- review global best practices followed by the central banks in making assessment and provisions for risks which central bank balance sheets are subject to;

- 2.2 To suggest an adequate level of risk provisioning that the RBI needs to maintain;
 - 2.3 To determine whether the RBI is holding provisions, reserves and buffers in surplus / deficit of the required level of such provisions, reserves and buffers;
 - 2.4 To propose a suitable profits distribution policy taking into account all the likely situations of the RBI, including the situations of holding more provisions than required and the RBI holding less provisions than required;
 - 2.5 Any other related matter including treatment of surplus reserves, created out of realised gains, if determined to be held.
3. The Expert Committee will submit its report within a period of 90 days from the date of its first meeting.

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Jose J. Kattoor
Chief General Manager