



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI Seeks Comments on Draft Large Exposures Framework

The Reserve Bank of India today placed on its website the [Draft Large Exposures \(LE\) Framework](#) for comments.

The salient features of the proposed Large Exposures (LE) Framework include:

- The Large Exposure (LE) limit in respect of each counterparty and group of connected counterparties, under normal circumstances, will be capped at 20 percent and 25 percent respectively of the eligible capital base
- The eligible capital base will be defined as the Tier 1 capital of the bank as against 'Capital Funds' at present.
- A group of connected counterparties will be identified on the basis of 'control' as well as 'economic dependence' criteria.
- The proposed LE framework will be fully applicable with effect from March 31, 2019.

Comments on the draft framework may be forwarded to the Chief General Manager, Department of Banking Regulation, Reserve Bank of India, Central Office, Shahid Bhagat Singh Marg, Mumbai 400001 or [emailed](#) latest by September 15, 2016.

Background

On [March 27, 2015](#), the Reserve Bank of India placed on its website, for comments from stakeholders, a Discussion Paper on Large Exposures Framework and Enhancing Credit Supply through Market Mechanism, outlining proposals to align the extant exposure norms with the "Supervisory Framework for Measuring and Controlling Large Exposures" issued by the Basel Committee on Banking Supervision. The comments received from the stakeholders have been taken into account while preparing this Draft Large Exposures Framework.

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