

Date: August 20, 2025

C2R/2025-26/14

RBI invites public comments on the draft circular on 'Counterparty Credit Risk: Add-on factors for computation of Potential Future Exposure – Revised Instructions'

Extant instructions on capital adequacy for banks prescribe the Current Exposure Method (CEM) for computation of Counterparty Credit Risk (CCR). The Reserve Bank has reviewed these instructions to (i) clarify that banks acting as clearing members of SEBI recognised stock exchanges in the equity derivatives and commodity derivatives segments are required to maintain capital charge for CCR; and (ii) largely align the add-on factors for calculation of Potential Future Exposure (PFE) in the CEM for 'Interest Rate Contracts' and 'Exchange Rate Contracts and Gold' with the Basel Committee on Banking Supervision (BCBS) guidelines, reflecting the development and depth of the respective market segments since the guidelines were last revised in August 2008.

Accordingly, [Draft Circular along with Draft Amendment Directions - Reserve Bank of India \(Counterparty Credit Risk: Add-on factors for computation of Potential Future Exposure\) \(Amendment\) Directions, 2025](#) have been issued for public comments.

Additional comments or any attachments may also be submitted by email at mrgdor@rbi.org.in

Last date for submission of comments is September 10, 2025.

Draft Circular along with Draft Amendment Directions: [PDF \(372.24 KB\)](#)