

RBI/2022-23/25

DOR.LRG.REC.19/21.04.098/2022-23

April 18, 2022

Dear Sir/Madam,

Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR)

Please refer to our [circular DOR.BP.BC.No.65/21.04.098/2019-20 dated April 17, 2020](#) on Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR).

2. In terms of the circular *ibid*, the assets allowed as Level 1 High Quality Liquid Assets (HQLAs) for the purpose of computing the LCR, *inter alia*, include (a) Government securities in excess of the mandatory SLR requirement and (b) within the mandatory SLR requirement, Government securities to the extent allowed under (i) Marginal Standing Facility (MSF) and (ii) Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) [15 per cent of the banks' Net Demand and Time Liabilities (NDTL)].

3. Since MSF has been reduced to 2 per cent from 3 per cent of NDTL from January 1, 2022, the total HQLA carve out from the mandatory SLR, which can be reckoned for meeting LCR requirement, has reduced to 17 per cent of NDTL (2 per cent MSF plus 15 per cent FALLCR) from 18 percent.

4. On a review, it has been decided to permit banks to reckon Government securities as Level 1 HQLA under FALLCR within the mandatory SLR requirement up to 16 per cent of their NDTL. Accordingly, the total HQLA carve out from the mandatory SLR, which

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हिंदी आसान है, इसका प्रयोग बढ़ाइए

चेतावनी: भारतीय रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्ति की जानकारी जैसे बैंक के खाते का ब्योरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।
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can be reckoned for meeting LCR requirement will be 18 per cent of NDTL (2 per cent MSF plus 16 per cent FALLCR).

Applicability:

5. This circular is applicable to all Commercial Banks other than Regional Rural Banks, Local Area Banks and Payments Banks.

6. These instructions shall come into force with immediate effect.

Yours faithfully

(Usha Janakiraman)
Chief General Manager