



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026

Please refer to paragraph 85 on 'Treatment of total Counterparty Credit Risk' of the [Reserve Bank of India \(Commercial Banks - Prudential Norms on Capital Adequacy\) Directions, 2025](#). It has been decided to amend these Directions to provide greater clarity and to largely align them with international standards.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, and all other provisions / laws enabling the Reserve Bank of India (RBI) in this regard, RBI being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. (i) These instructions shall be called the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026.

(ii) These Amendment Directions shall come into effect from the date of issue.

4. The [Reserve Bank of India \(Commercial Banks – Prudential Norms on Capital Adequacy\) Directions, 2025](#), are amended as provided below.

4.1. In paragraph 85(1), the following note shall be inserted in the end, namely: –

“Note: For computation of capital requirement on a consolidated basis, a bank shall include CCR exposures of all entities required to be consolidated in terms of Section B ‘Scope of application of capital adequacy framework’ under Chapter II of these Directions.”

4.2. Table 16 in paragraph 85(2) shall be substituted by the following, namely: –

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हिंदी आसान है इसका प्रयोग बढ़ाएँ



“Table 16: Add-on factors for market-related off-balance sheet items (see paragraph 204 for CDS exposures)”

	Add-on Factor (Per Cent)				
	Interest Rate Contracts	Exchange Rate Contracts and Gold	Equities	Precious Metals except Gold	Other Commodities
One year or less	0.25	1.00	6.00	7.00	10.00
Over one year to five years	0.50	5.00	8.00	7.00	12.00
Over five years	1.50	7.50	10.00	8.00	15.00

”.

4.3. Note (b) in paragraph 85(2) shall be substituted by the following, namely: –

“For contracts that are structured to settle outstanding exposure following specified payment dates and where the terms are reset such that the market value of the contract is zero on these specified dates, the residual maturity shall be set equal to the time until the next reset date. However, in the case of interest rate contracts which have residual maturities of more than one year and meet the above criteria, the add-on factor shall be subject to a floor of 0.50 per cent.”.

4.4. The following notes shall be inserted after note (d) in paragraph 85(2), namely: –

“(e) Add-on factors as per Table 16 shall be applicable to all outstanding CCR exposures.

(f) A bank acting as a clearing member of SEBI-recognised stock exchanges in the equity derivatives and commodity derivatives segments shall compute and maintain capital charge for CCR, in terms of paragraph 85 of these Directions. The add-on factors prescribed in Table 16 for ‘Equities’, ‘Precious Metals except Gold’, and ‘Other Commodities’ are applicable only in such cases.

(g) In Table 16, ‘Precious Metals’ include Silver, Platinum and Palladium. ‘Other Commodities’ include energy contracts, agricultural contracts, base metals (e.g., aluminium, copper, and zinc), and any other non-precious metal commodity contracts.”.



4.5. In paragraph 85(6)(i), sub-paragraph (a) shall be substituted by the following, namely: –

“(a) Where a bank acts as a clearing member of a QCCP for its own purposes, a risk weight of 2 per cent shall be applied to the bank’s trade exposure to the QCCP in respect of OTC derivatives transactions, exchange traded derivatives transactions, and SFTs. Where the clearing member (bank) offers clearing services to clients, the 2 per cent risk weight also applies to the clearing member’s (bank) trade exposure to the QCCP that arises in cases where the clearing member (bank) is obligated to reimburse the client for any losses on such transactions in the event that the QCCP defaults.

Provided that, a clearing member (bank) is not required to maintain capital for such transactions, for the trade exposure to the QCCP, if it is not obligated to reimburse the client for such losses, provided the bank obtains and maintains an independent, written, and reasoned legal opinion that it is protected from any such liability in case of QCCP defaults.”.

(Sunil T S Nair)
Chief General Manager