

Date: September 29, 2025

C2R/2025-26/16

RBI invites public comments on the draft circulars on: (i) Large Exposures Framework (Amendment Circular), 2025; and (ii) Guidelines on Management of Intragroup Transactions and Exposures (Amendment Circular), 2025

[Circulars on Large Exposures Framework \(LEF\) dated June 3, 2019](#), [Large Exposures Framework – Credit Risk Mitigation \(CRM\) for offsetting – non-centrally cleared derivative transactions of foreign bank branches in India with their Head Office \(LEF-CRM\)](#) dated September 9, 2021, and [Guidelines on Management of Intra-Group Transactions and Exposures \(ITE\)](#) dated February 11, 2014 prescribe prudential norms on a bank's exposures to its counterparties as also those to its group entities.

The two Amendment Circulars amend the extant norms to clarify certain aspects on prudential treatment of exposures of foreign bank operating as branches in India and aligning some of the prudential norms under LEF and ITE. The key changes include the following:

- (i) Exposure of Indian branches of foreign banks to their HO, and branches/subsidiaries of the HO, shall be reckoned only for LEF, and not ITE. Such exposures, where cleared through a central counterparty, shall be considered on a gross basis.
- (ii) Funds received from the HO, and kept by the Indian branch of a foreign bank under a special arrangement with RBI as cash/unencumbered approved securities, are treated as CRM for offsetting non-centrally cleared derivative transactions of such branches with their HO. It is proposed to extend the CRM benefit to any exposure of a foreign bank branch to its HO.
- (iii) Computation of exposure under ITE is proposed to be made consistent with those under LEF i.e., the benefit of credit conversion factor for deciding credit equivalence of off-balance sheet exposures, and credit risk mitigation technique for offsetting exposures to a counterparty, shall henceforth be permitted for ITE exposures.
- (iv) The ITE threshold, which is currently linked to Paid-up Capital and Reserves, is proposed to be linked to Tier-1 capital of banks.

The draft circulars on: (i) [Large Exposures Framework \(Amendment Circular\), 2025](#); and (ii) [Guidelines on Management of Intragroup Transactions and Exposures \(Amendment Circular\), 2025](#) have been issued for public comments.

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

Last date for submission of comments is **October 20, 2025**.

- [Draft Circular - Large Exposures Framework \(Amendment Circular\), 2025](#)
- [Draft Circular - Guidelines on Management of Intragroup Transactions and Exposures \(Amendment Circular\), 2025](#)