

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4341  
ANSWERED ON:22.03.2013  
NEW NORMS FOR ILLIQUID ASSETS OF BANKS  
Reddy Shri Modugula Venugopala

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has formulated / proposes to formulate new norms on treatment of illiquid assets of banks;
- (b) if so, the details and current status thereof;
- (c) whether comments from various quarters have been received in this regard; and
- (d) if so, the details thereof?

**Answer**

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) & (b): Reserve Bank of India (RBI) issued a Draft Supplementary Guidance to banks on "Treatment of Illiquid Positions" on 17.09.2012 for comments and feedback. As per this draft guidance banks have to make certain adjustments to their Tier 1 capital for illiquidity of the positions which are fair valued. The Draft guidance are available at RBI website [www.rbi.org.in](http://www.rbi.org.in).

(c) & (d) Comments on the draft supplementary guidance have been received by RBI from Indian Banks' Association (IBA), Fixed Income Money Markets and Derivatives Association of India (FIMMDA), ICICI Bank, HDFC Bank, Deutsche Bank, ING Vysya Bank and DBS Bank.