

RBI released draft Master Direction on Prudential Regulation for AIFs - 2021

The Reserve Bank has released the [Draft Reserve Bank of India \(Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions\) Directions, 2021](#). These Directions shall be applicable to the four All India Financial Institutions (AIFs) viz., EXIM Bank, NABARD, NHB, and SIDBI.

RBI has decided to implement the Basel III capital framework for the AIFs as detailed out in the draft Directions. The draft Directions also consolidate and contain suitable modifications to the existing instructions on [Exposure Norms](#), [Classification](#), [Valuation and Operation of Investment Portfolio Norms](#) and [Resource Raising Norms](#) issued to the AIFs. Further, the limits for investments by AIFs in subsidiaries, financial services companies and non-financial services companies have been introduced as detailed in the draft Directions.

Members are requested to kindly share their inputs on the same by 20th November, 2021 at research@phdcci.in.

Please contact for any query related to this mail to Mr Rishabh, Research Associate at rishabh@phdcci.in, with a cc to Dr S P Sharma, Chief Economist | DSG at spsharma@phdcci.in and Ms Kritika Bhasin, Sr. Research Officer at kritika.bhasin@phdcci.in, PHD Chamber of Commerce & Industry.

Warm Regards,

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