Name of institute/individual: Dr M K DATAR
Consultative document: TLAC Holdings - consultative document(/bcbs/publ/d342.pdf)
Classification: Public

Comments:

Indian Banks' Association (IBA) thanks the Basel Committee for providing the opportunity to provide feedback on the Consultative Document " TLAC Holdings".

Our views are as below

- No Indian Banks are currently in the G SIB list and the first D SIB list of India of 2015 has only two banks
- The requirement of TLAC with the purpose of preventing a contagion effect will simultaneously have an impact on liquidity of the instruments; as aspect which needs due consideration
- Deduction of TLAC Holdings must follow the similar approaches followed for cross holding in other capital instruments. The proposal in this consultation to deduct TLAC Holdings from Tier 2 is deviating from this approach.
- Differentiation needs to be brought about in the deduction norms for G SIBs and Non G SIBs; D SIBs and Non D SIBS. Perhaps Non D SIB's holding of TLAC could be subject to the large exposure requirement.

Thanking You
Yours Faithfully

(M K Datar)
Senior Advisor
Indian Banks' Association