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# RBI tweaks norms for setting up of IFSC Banking Units

BY PTI | UPDATED: MAY 17, 2018, 07.50 PM IST

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MUMBAI: Modifying the norms for setting up **IFSC** Banking Units, **RBI** said today that the parent bank will be required to provide and maintain at all times a minimum capital of USD 20 million to its IBU.

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In April 2015, the Reserve Bank had formulated a scheme for setting up of International Financial Services Centres (IFSC) Banking Units (IBUs) by banks in IFSCs.

RBI said modification has been made based on suggestions from stakeholders to consider minimum prescribed regulatory capital at the parent level rather than at the IBU level.

"With a view to enabling IBUs to start their operations, the parent bank will be required to provide a minimum capital of USD 20 million or equivalent in any foreign currency to its IBU which should be maintained at all times," it said in a notification.

However, it added the minimum prescribed regulatory capital, including for the exposures of the IBU, should be maintained on an on-going basis at the parent level.

Also, the parent bank will be required to provide a Letter of Comfort for extending financial assistance, as and when required, in the form of capital/liquidity support to IBU.

The government has set up an IFSC in Gujarat namely Gujarat International Finance Tec-City (GIFT) in [Gandhinagar](#), Gujarat.

The guidelines are applicable to IBUs set up in GIFT as well as in other IFSCs which may be set up in [India](#).

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