

BASEL III ACCORD : A STUDY IN INDIAN CONTEXT

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ABSTRACT

Recent global financial crises shook the world economy and had put forth the weakness in the global banking regulatory framework for banking sector. Capital and liquidity rules need to be strengthened so that banks have sufficient liquid assets to meet the financial stress. Basel Committee on banking supervision introduced Basel III for the above mentioned purpose. Basel norms are a set of international banking regulations formulated by the Basel committee on bank supervision and these norms set out supervisory regulation such as the minimum capital requirements to sustain the banks world over. This paper studies the journey from Basel II to Basel III, what major changes have been introduced, the implementation process of the Basel norms in India in a phased manner, and what way will it go further.